

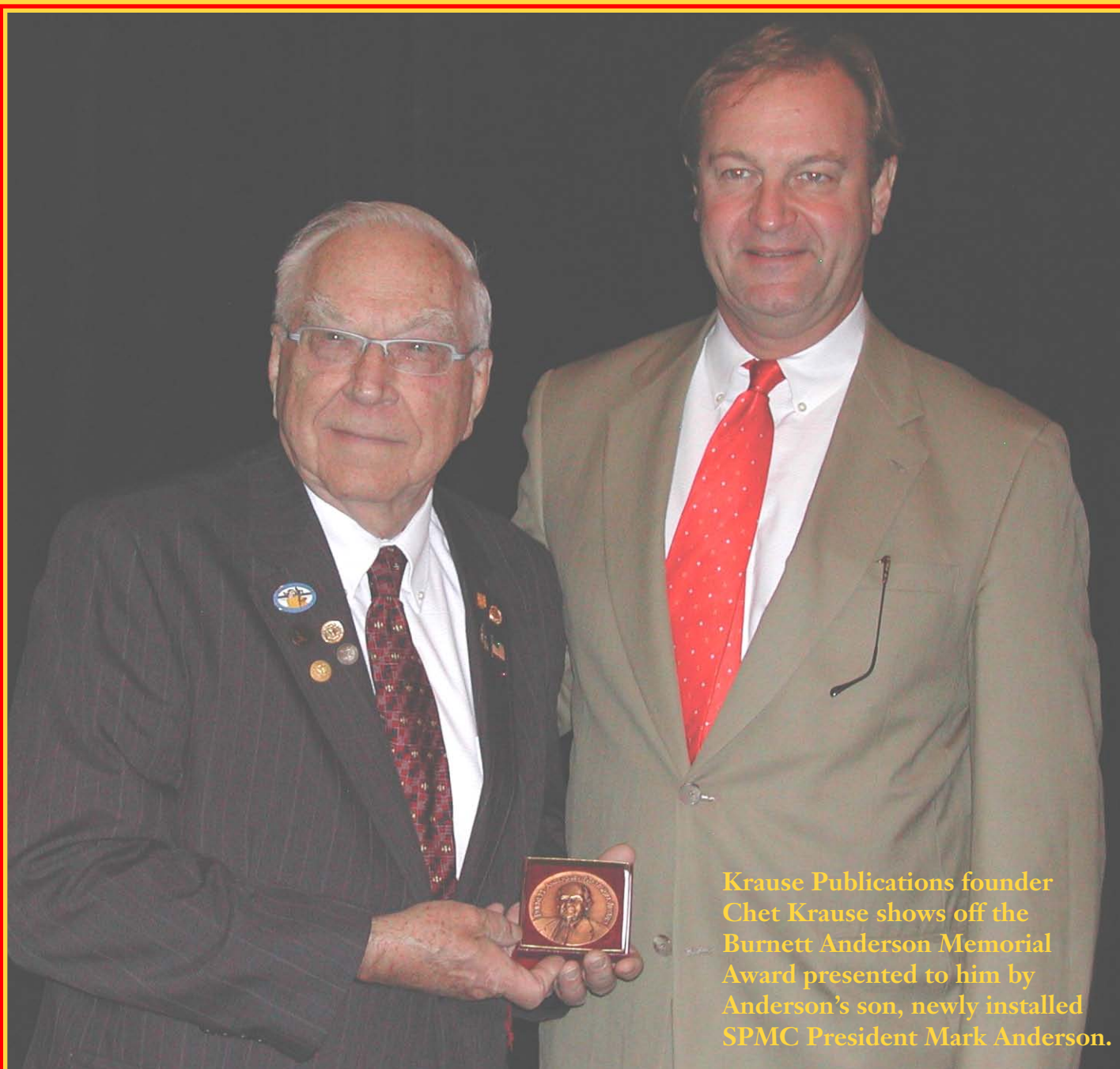
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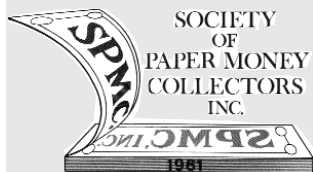
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FEATURES

- Paper Column: Connecticut Challenges Definition of "Town" . . . 403
By Peter Huntoon & Bob Kvederas
- One Honest Banker, The Fall of the Manhattan Bank 415
By John D. Davenport, PhD
- The Paper Column: Durable Series 1880 LT \$500 Plate 421
By Peter Huntoon & Doug Murray
- The Modern Local Currency Movement in the U.S. & Canada . . 426
By Loren Gatch, PhD
- Why So Few Series 1923 \$10 LTs Were Issued 442
By Lee Lofthus
- On This Date in Paper Money History 447, 449
By Fred Reed
- The Buck Starts Here: Darley's *The War Alarm* shows up on TV 454
By Gene Hessler
- Notes from Up North: New Money for Changing Times in UAE . . 458
By Harold Don Allen, PhD
- About Nationals Mostly: Remembering the Central NB of Dallas . 462
By Frank Clark
- Odd and Obsolete Banknotes: South Bend Notes 464
By Bob Schreiner
- A Suggested Classification of Bank Notes 466
By Nelson Page Aspen
- Rare \$5 Silver Certificate Series of 1934B M-A Block Notes . . . 473
By Jamie Yakes
- SOCIETY NEWS**
- Information and Officers 402
- New Members 433
- President's Column 456
By Mark Anderson
- PNG, ANA & NLG Honor SPMC Members 451
- SPMC Authors Pen New Books on Nationals 461
- 11th Annual George W. Wait Memorial Prize Announcement 477
- What's on Steve's Mind Today? 478
By Steve Whitfield
- The Editor's Notebook 478

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Connecticut Challenges the Definition of “Town” on National Bank Notes

CONNECTICUT NATIONAL BANK NOTES, LIKE THOSE from other northeastern states, are rich in early types. However, what is particularly fascinating about the issues from the banks in this state are the innumerable twists associated with the eight banks there which experienced nine place name changes, either through moves or renaming.

Windham County, in the northeast corner of the state, accounted for six of the place name changes involving five different banks! The stories of those banks provide significant insights into what constituted the definition of a “town” in the eyes of the Comptroller’s office.

The types of place names that appeared on notes were inconsistent. Consequently, these Connecticut examples challenge our assumptions of what



The Paper Column by Peter Huntoon and Bob Kvederas

should appear as the home of a bank on a national bank note. We even find that the concept of town is ambiguous in some cases!

This article will profile three of the banks in Windham County where place name changes produced unexpected or peculiar results. The insights that will be developed here apply elsewhere in the country, especially in New England.

Place Names on Nationals

Typically, when people attempt to determine the location from which a national bank note was issued, they first look for the place name in the tombstone or its equivalent in the title block. The next option is a place name that might appear in the bank name. Neither of these approaches is reliable.

The problem is that many place names that appear in titles are geographic areas that the bankers wish to be identified with, but which were not necessarily the actual locations of the banks.

The redeemability of national bank notes was a central consideration in their design, as well as in the marketing of the concept of national currency to the public. The Comptroller’s office gave serious consideration to redeemability, and took pains to reveal on the notes just where the note holder should go to find the bank.

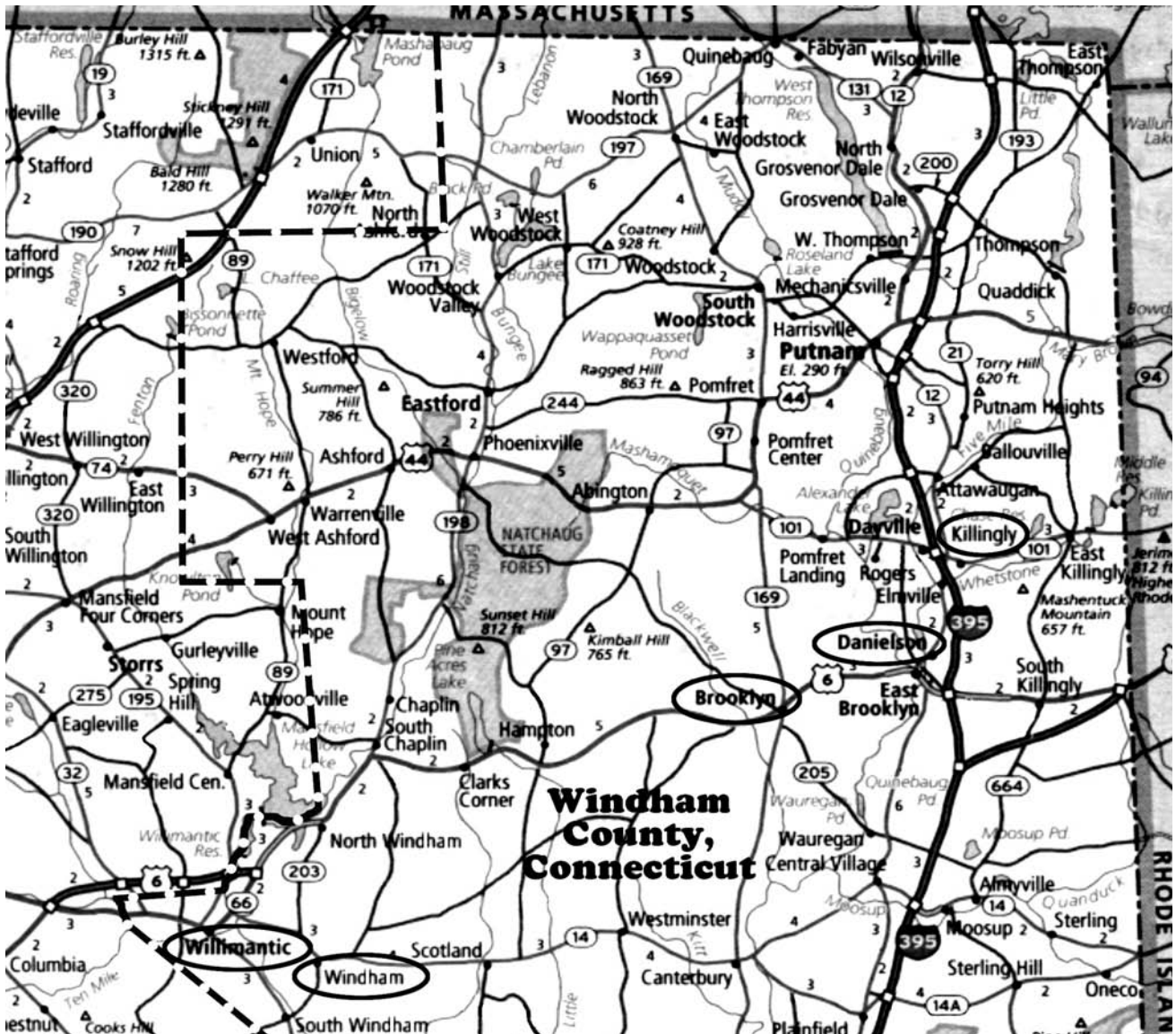


Figure 1. Windham County, Connecticut, hosted five national banks that underwent six place name changes which appeared on national bank notes. The places mentioned in this article are circled. The former names of Danielson were first West Killingly, and next Danielsonville. Major textile manufacturing factories were built in Windham County during the 1800s to take advantage of hydropower available from its rivers. Much of the county has become yuppified and pricy during recent decades, as its former industrial infrastructure has crumbled.

But, you had to know the code. The preference of the Comptroller's staff was to show the post office location of the bank in script on the left side of the title block across from the plate date. If one found the post office, the bank would be nearby.

However, two issues arose. In some cases, the post office was a named subdivision or district within the town or city. In other cases, the place name that ended up in the postal location simply wasn't the name of the post office that served the bank.

Still, the general rule is that the most reliable place to find the place where the bank was located is to read the postal location written in script. You just have to be cognizant that this rule is imperfect.

Geopolitical Subdivisions in Connecticut

The naming of geopolitical subdivisions in Connecticut is not a simple matter, but rather a thing of wonder cobbled together from pre- and post-colonial traditions. Connecticut counties epitomize this point.

Counties in Connecticut were first defined during the colonial era in 1666. The state was subdivided into convenient counties, and these were carried forward as legal entities into the post-colonial era.

However, counties and their governmental infrastructures were abol-



ished in 1960, so the functions they served were turned over to state and municipal governments. Even so, people still identify with the counties, and they still are shown on maps.

The concept of a town in Connecticut differs from towns in most other states. Counties were subdivided into towns during the colonial era. As shown on **Figure 2**, the towns were sprawling geographic entities that abutted each other, and were similar to townships in other eastern states.

Population centers within the towns were called villages, and, in the post-colonial era, the villages hosted post offices. Notice that several villages were located in a given town. Generally, the villages were unincorporated. This sounds almost manageable up to now.

Let's now look at a few towns.

Towns of Killingly and Brooklyn

Two towns in Windham County that will be discussed here are Killingly and Brooklyn, respectively situated on the east and west sides of the Quinebaug River. See **Figure 2**.

Now consider that in May, 1854, the borough of Danielsonville was created by an act of the Connecticut assembly, and was comprised of parts of the towns of Killingly and Brooklyn. The operative word here is parts.

Figure 2. Map of Windham County, Connecticut, from the January 1895 *Rand McNally Bankers' Directory* showing clearly the towns and villages—or in some cases post offices such as Danielsonville. Notice that the towns are labeled with large but fine-lined gothic lettering, and that the borders between the towns are the dashed lines that subdivide the county. In contrast, the villages and post offices are set in smaller but bolder type, and correspond to the circles denoting their locations. Danielsonville was renamed Danielson before the July 1895 edition of the directory.

Danielsonville borough was made up of parts of both Killingly and Brooklyn, but not of all of each. The borough encompassed an area straddling the river and the railroad on the east side which was developing into a major textile manufacturing center.

Boroughs in Connecticut are incorporated parts of one or more towns with separate borough councils, zoning boards and borough officials. They are chartered by the state legislature to provide certain shared governmental services such as fire protection, utilities and trash collection.

In contrast, villages are census divisions, but have no separate corporate existence from the towns or boroughs they are in.

One village that hosted two of the banks that will be profiled here is West Killingly. West Killingly, located in the town of Killingly, came into existence before Danielsonville borough was chartered.

West Killingly was at the center of Danielsonville borough, and had its own post office. Once Danielsonville borough was formed, the village of West Killingly lost its identity to the borough, so the West Killingly post office was renamed Danielsonville in 1879. Next, the name of the post office was shortened to Danielson in 1895.

Danielson now appears on maps of the area, but that place name alternatively represents the post office or the borough of the same name, but not a village!

Had enough? You have two choices. Reread the above, or go get a drink and then stumble forward.

Town of Windham

The application for the town charter for Windham was granted by the general court of colonial Connecticut in May of 1692. The village of Windham, one of the population centers in the town of Windham, was a farming community during its formative years.

The officials of the town of Windham established the borough of Willimantic in the northeastern part of the town in 1833. The industrial village of Willimantic, in the heart of the borough, was situated around a falls on the Willimantic River because that location was ideal for the location of hydropowered textile factories. The village of Willimantic had a post office that had operated since 1825.

The unincorporated village of Willimantic, and incorporated borough of Willimantic were for practical purposes synonymous. Next, in 1893, Willimantic was incorporated as a city. So here we had the incorporated city of Willimantic inside the incorporated town of Windham!

It turns out that the city government of Willimantic was dissolved in 1983, so the governance of the city reverted back to the town of Windham!

Locations on Nationals

Let's now analyze the locations that appeared on the notes from these interesting places. Remember that the notes were designed to direct the note holder to the bank of issue, so the bearer could redeem the note in lawful money.

The Killingly National Bank

The organizers of The Killingly National Bank, charter #450, had grand designs of serving the entire town of Killingly, consequently they displayed Killingly prominently in the bank name. The postal location for their bank was the village of West Killingly, one of the several villages within the town of Killingly. Things got confused from the outset for this bank.

Three plate combinations were used during the Original Series which in chronological order of appearance were 5-5-5-5, 10-10-10-20 and 1-1-1-2. The 5-5-5-5 and 1-1-1-2 were prepared with title blocks that read The First National



Figure 3. The village of West Killingly correctly appears as the post office location on the Original/1875 5-5-5-5 and 1-1-1-2 plates, whereas it was mistakenly shown as Killingly on the 10-10-10-20 plate. Notes from all three of these plates were issued simultaneously. The West Killingly post office was renamed Danielsonville in 1879, and then Danielson in 1895; however, neither Danielsonville nor Danielson ever appeared on any notes from the bank.

Bank of Killingly, but with West Killingly in the postal location. The use of West Killingly in the post office location effectively caused the title to read The First National Bank of Killingly, West Killingly.

Notice on the notes printed from these plates that the note holder was correctly directed to village of West Killingly which contained both the bank and the post office that served it. This was the most favored treatment in the eyes of the Comptroller of the Currency.

However, Killingly was mistakenly used as the post office location when the Original Series 10-10-10-20 plate was ordered from the American Bank Note Company. Notes printed from that plate directed the note holder to Killingly.

If the note holder sought out either the post office or village of Killingly, he found himself in a village with that name some two and a half miles up the road to the north of the bank. The postal location on the 10-10-10-20 never was changed, even when the plate was altered for use in the Series of 1875 by the



Figure 4. Series of 1882 brown back issued from the First National Bank of Killingly. Notice that Killingly also appears in the post office location in script to the left of the title block. At the time the plate was made, the bank was located in the borough of Danielsonville, and served by the Danielsonville post below it in the Music Hall.

Bureau of Engraving and Printing.

The result was the simultaneous issuance of Original/Series of 1875 notes with West Killingly and Killingly postal locations, the only recognized example of such dual use in the country.

However, even with this complexity, the story for this bank was not yet finished.

In 1876, a new and imposing three story building was built in West Killingly. The centerpiece of the first floor was the Music Hall, a store to one side, and the West Killingly post office on the other. The First National Bank of Killingly was housed in elegant rooms above the post office. Not surprisingly, the president and cashier of the bank also were officers and directors of the Music Hall.

The name of the West Killingly post office was changed to Danielsonville in 1879, after the village of West Killingly lost its identity to the superimposed borough of Danielsonville. The bankers did not apply for a title change to reflect their renamed post office. The Comptroller's clerks never imposed a *de facto* title change by having Danielsonville, or later Danielson, placed in the postal location on the plates used for the bank, not even after the bank was extended in 1884.

Killingly appeared as the postal location on all the Series of 1882 and subsequent plates. The inconsistency, of course, was that Killingly was both the wrong post office and village.

The Windham County National Bank

The venerable Windham County National Bank, charter #1360, was originally chartered as a state bank in 1822, with title The Windham County Bank. It was located in the town and village of Brooklyn. The bankers converted to a national charter in 1865.

In 1895, ten years after its charter had been extended, the bankers applied for and won both a move to the incorporated industrial borough of Danielsonville and a coincident title change to reflect their new location. Notice that the bank was moved across the Quinebaug River from the village of



Figure 5. The Music Hall in Danielsonville was built in 1876, with The First National Bank of Killingly on the second floor and the Danielsonville post office on the right side of the first floor. The officers of the bank also were officers and directors of the Music Hall.



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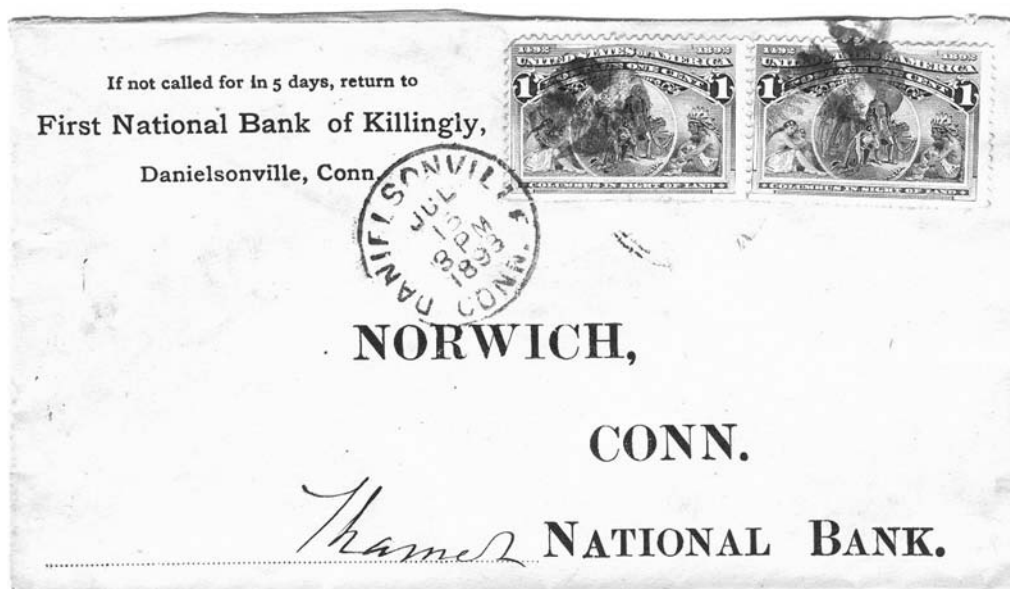


Figure 6. An envelop sent from The First National Bank of Killingly in 1893, using the Danielsonville post office as its address.

Brooklyn in the town of Brooklyn to the borough of Danielsonville within the part of the town of Killingly that was inside the borders of the borough.

The bank was now served by the Danielsonville post office. The new title, The Windham County National Bank of Danielsonville, was approved by the Comptroller on February 26, 1895. Danielsonville appeared in both the bank title and the postal location on the new Series of 1882 notes.

Technically, the Danielsonville in the bank title was the name of the borough which the bankers wished to be identified with. Danielsonville in the postal location was the name of the post office that served the bank. All was well in the eyes of the Comptroller, because note holders were directed to the Danielsonville post office, and the bank was nearby.

However ironic there was no village or town with the name Danielsonville. Killingly, the town containing the Danielsonville post office, was nowhere to be found on the notes.

There are similar occurrences across the country. The “town” shown on such notes is in actuality a part of, or a district within, a larger incorporated town or city.

The name Danielsonville was simplified to Danielson right after The Windham County Bank was moved there. The bankers already had paid for a new pair of Series of 1882 plates with Danielsonville, so they were less than enthusiastic about the prospect of purchasing yet another pair. They exercised restraint, and waited 10 years until their second extension in 1905 to apply for a title change to implement the shortened spelling!

By waiting, they got both the Series of 1902 and revised spelling for the price of one. This was a very common ploy among bankers when faced with renamed towns. Nothing in the national banking legislation forced them to apply for a title change if the name of their post office or town changed, so they didn't. This fact bothered Comptrollers because it caused confusion as to where note holders should go to redeem their notes. No legislation ever was passed to correct this defect, although it was repeatedly called for by various Comptrollers.

The Windham National Bank

The handling of the \$5 Series of 1875 plates for The Windham National Bank, Windham, charter #1614, was rather traditional, but with a technical surprise. The bank was located in the village of Windham in the town of Windham when chartered in 1866. The officers of the bank wanted to be where the action

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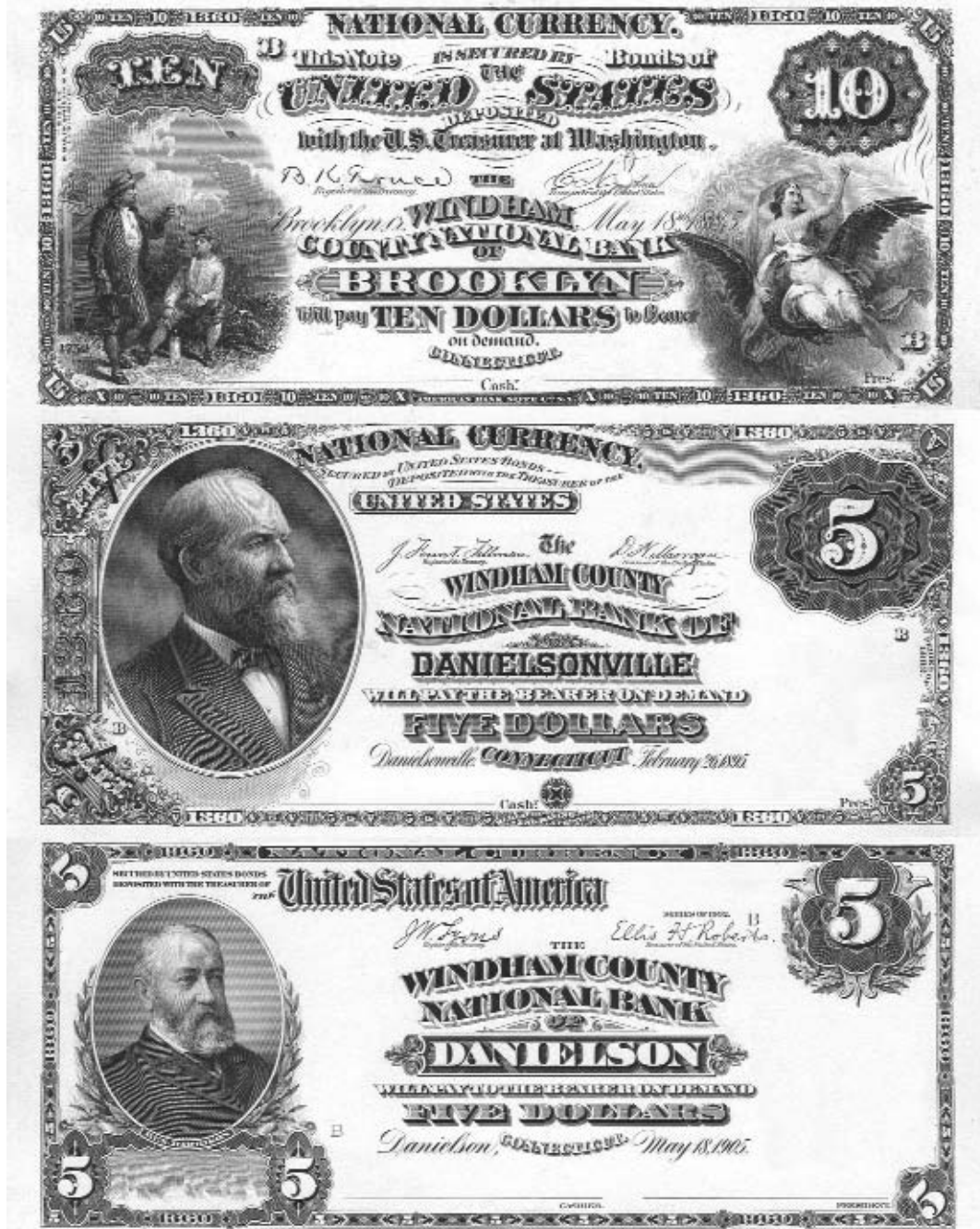


Figure 7. Trio of proofs showing the succession of place names on the notes from the Windham County National Bank. The bank was moved from the village of Brooklyn to the borough of Danielsonville which was served by the Danielsonville post office. Almost immediately, the name of the borough was shortened to Danielson. The bankers waited for 10 years until they extended their charter to apply for a title change to reflect the altered name. Thus, they avoided having to pay for a new set of Series of 1882 plates! The Danielsonville/Danielson post office on the east side of the borough lies within the incorporated town of Killingly. Notice that Killingly does not appear anywhere on either of the lower two proofs.

was, so they petitioned Congress for a two and a half mile move from the village of Windham to the industrial village of Willimantic.

This request was granted by an act signed into law on February 10, 1879, and the bank was moved shortly thereafter. The enabling Congressional legislation required at the time for moves also authorized a title change to The Windham National Bank, Willimantic.

The Comptroller was issuing sheets to the bank from existing stocks of



Original Series 10-10-10-20s and Series of 1875 5-5-5-5s at the time the move was made. Stocks of Original Series \$5s had run out over a year before, so the 5-5-5-5 Original Series plate had been altered into a Series of 1875 then. The result was that Series of 1875 \$5s already had been printed with the old title, and were being sent to the bank.

The simplest way to handle the title change was to alter the post office location on both plates, and at the same time, alter the 10-10-10-20 into a Series of 1875. This is exactly what was done. The treasury signatures on both were updated to Scofield-Gilfillan, which was customary for title change plates at the time.

Convention dictated that bank sheet serial numbering should restart at 1 with the new Willimantic title. However, when the Series of 1875 Willimantic 5-5-5-5 sheets were printed, bank serial numbering on them was sequential to those with the Windham title. The changeover bank sheet serials between the titles was 1500/1501.

This was a technical mistake. Only ten cases have been identified in the entire country where bank sheet serial numbering didn't revert to 1 after a title change.

Overview

Comptrollers of the Currency preferred to show the post office location of the banks in script on the left side of the title block on national bank notes. This was the location that most accurately directed note holders to the site of the bank.

The name of the post office serving the bank, and the name of the town or city hosting it, were synonymous in most cases. However, in a number of instances, the name of the post office was a name of a subdivision or district within the host town.

Figure 8. The Windham National Bank was moved from the village of Windham to the industrial village of Willimantic in 1879. Both the villages of Windham and Willimantic were located within the town of Windham. The postal location on the \$5 plate was altered to Willimantic, and the plate date and treasury signatures were updated, to acknowledge the change. Bank sheet serial numbering progressed in error sequentially from the \$5 Windham to Willimantic sheets within the Series of 1875 printings, instead of restarting at 1 with the first Willimantic printing.

This leads to ambiguity about the exact definition of the “town” on some notes. The fact is, the actual name of the town in which the bank was located doesn’t appear anywhere on some national bank notes!

Although showing the post office location in script was the preference of the Comptroller’s office, it was not a cardinal rule. Violations of the rule further obfuscate exactly where some banks were located.

Once plates were made, only a handful across the country were altered to reflect a change in the name of the postal location. Usually, the bankers had to formally apply for a title change for such a change to appear on their plates. In most such cases, new plates were made, rather than altering existing plates.

Rules generally apply, but in confusing or ambiguous cases such as those chronicled here, it was hard for government clerks to keep track of all the fine points in order to insure that they were faithfully followed. Such problems were exacerbated by bankers who refused to apply for title changes to reflect new postal locations in order to save the cost of new mid-series plates.

Acknowledgment

Support for this research came in part from The Currency Club of Long Island and Society of Paper Money Collectors. James Hughes, associate curator, National Numismatic Collection, National Museum of American History, Smithsonian Institution, provided access to the proofs.

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Letter to the Editor: Make a note of this note

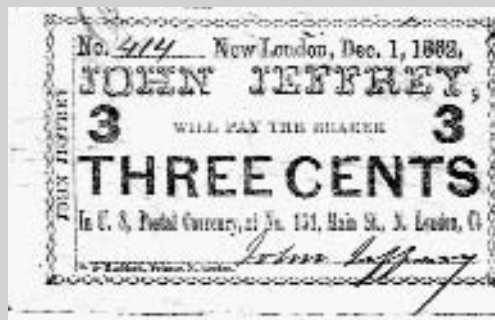
Dear Fred,

Due to an error, the wrong note was pictured in our listing of Connecticut scrip in your May/June 2009 issue on page 267. The note shown here (at right) is the correct image for the first John Jeffery (Variety #1) note that appears in the listing. The text that appears in the magazine is the correct text. If the corrected image is just superimposed over the one that appears on pg. 267 the problem will be solved. Sometime in a future issue, would you mind putting in this correction? We have had some nice comments about the article. We are very happy with it. The image I send you is the one that should have appeared as the first of the John Jeffery issues.

Regards,

-- John Ferreri

❖



New London Jeffery 12-01-62 Variety #1

One Honest Banker

The Fall of the Manhattan Bank

by John D. Davenport, PhD

THE TOWN OF MANHATTAN, OHIO WAS FORMED IN 1835 on the west bank of the Maumee River, near where it empties into Lake Erie. Along with a number of other towns such as Maumee, Perrysburg, and the precursors to Toledo, Manhattan was founded with the intention of becoming a transitional point between lake traffic and soon-to-be canal traffic, once the Wabash and Erie canal was finished (as it was in 1842). An enterprise of the Maumee Land and Railroad Company, it was backed primarily by investors from Buffalo, NY. After a failed attempt to gain control of the Erie and Kalamazoo Railroad, along with its banking capabilities, these investors decided to petition for a bank of their own.

Most histories of the Manhattan Bank begin by noting the unusual nature of its charter. At that time, Manhattan was part of the “Toledo Strip,” a piece of land whose ownership was contested between Ohio and Michigan. Arguably, soon-to-be bank President Daniel Chase could have sought a charter for the new enterprise from either Columbus or Detroit (the territorial capital at the time). He chose to petition the Michigan legislature, and received his charter on February 25, 1836. By the time the bank began business in November of 1837, however, the contested land had been given over to Ohio as a precursor to Michigan’s statehood.

After the Manhattan Bank went under in 1840, this situation caused much difficulty. On one hand, lawsuits were filed claiming the charter was invalid, as it mentioned “the State legislature of Michigan,” where there was no such entity in 1836 (it still being a territory), thereby making any contracts invalid and debts uncollectible. On the other hand, commentators postulated that Chase had been attempting a fraud. The August 1, 1840, issue of the *Toledo Blade* (which also reported the closure of the bank, three days earlier) all but declared the pursuit of a Michigan charter an act of treason. Surviving correspondence, however, does not hint as to how the decision between the two legislatures was made, and Chase complained about the difficulty of lobbying the Michigan legislature. It is entirely possible that the decision was made purely on geographical grounds, since Columbus is more than twice as far from Lucas County as Detroit is.

In fact, the Ohio legislature amended the Michigan charter in an act of March 12, 1839. This little-reported act brought the Manhattan Bank charter in line with other Ohio charters for the purposes of taxes and interest, thereby making the Manhattan Bank a legitimate entity. This act was pushed through the Ohio legislature by John Hough James, the majority stockholder in the Manhattan Bank at the time, as well as president of the Urbana Banking Company. In light of this, it seems unlikely that the bank was conceived as a fraud. We therefore turn to the closing of the Bank, which is far more similar to



Top: A Manhattan note signed by W.A. Chamberlain and David Chase, dated May 1, 1840. (Courtesy of Vern Potter)

Above: Another Manhattan note also dated May 1, 1840, but signed by Charles Danforth instead of Chase. (Courtesy of Vern Potter)

that of other banks of the period, if not for the detail available to us thanks to the politics of the time in Ohio, and the unique role Daniel Chase had in the closure.

By 1840, the LocoFoco (Jacksonian anti-bank) portion of the Democratic Party had been a major player in Ohio politics for a number of years, passing control of the legislature and statehouse back and forth with the Whigs on an almost yearly basis. In 1838 the LocoFocos passed a number of new banking laws, the most directly relevant to this discussion being the formation of a Board of Bank Commissioners, charged with visiting every chartered bank in Ohio in person and giving an annual report to the legislature.

Along with reporting on the solvency of the banks, violations of the banking laws -- including, but not limited to, issuing notes below \$5, issuing post-notes, and redeeming notes in the notes of other banks as opposed to specie -- were to be reported, as these were potentially cause for charter forfeiture. In the summer of 1840, both the Clinton Bank of Columbus and the Lancaster Ohio Bank refused to receive the bank commissioners, claiming that they had no authority to review the banks' operations. In each case, the commissioners sought and received a *writ of mandamus*, but each was overturned by judges friendly to the banks. In a letter to the commissioners, the Honorable F. Grinke explained his decision to vacate the writ as follows:

1st Because there is not in existence a legal Board of Bank Commissioners

*2nd Because the provisions of the act under which you are called upon to act, are unconstitutional.*¹

In the middle of this political fight, however, the Manhattan Bank was closed by a *writ of mandamus* on July 29, 1840. How was this possible, given the difficulty the Commissioners had enforcing similar writs against any other bank in

the state?

According to the Commissioners' Report, the first hint that there were serious violations at the Manhattan Bank came in the spring of 1840, when a new emission of notes occurred. Piquing their interest was the fact that these notes were signed not by president Daniel Chase, but rather by Charles Danforth, the vice-president. The Commissioners decided to revisit the monthly statements that all chartered banks in the state were required to submit. Given the fact that these reports were filed under oath, and they showed no appreciable increase in outstanding circulation, they decided that this must have been a case where older notes were being removed from circulation and replaced with a new printing.

To make certain of this assumption, the Board met with Chase in Columbus. The President of the Bank stated that he had been working to take up this new circulation, as it was signed and circulated without his knowledge, and he wanted to avoid any bad publicity from the matter. He went on to state that this was an isolated incident, and that the bank was in a "safe and solvent condition." He did add that he would communicate with the Commissioners any information he might come by, that was "calculated to impair the security of the public."

Almost immediately upon returning from this meeting, Mr. Hubbard received a letter from Mr. Chase that changed the situation considerably.

*Manhattan Bank
Manhattan, July 17, 1840*

Dear Sir,

The object of this letter is request [sic] you to repair, as soon as possible to this place. The interest of the public requires it. The affairs of this Bank have been, in my view, unlawfully managed, though altogether without my knowledge, so far as the matter alluded to is concerned; and as there is not a board here who will act upon the subject, I have taken the liberty to act myself, and, in this way, invite you to visit us. I believe all is yet safe, and I desire, as I know that you do, that all will remain so.

*Yours, very respectfully,
David Chase*

*E.W. Hubbard Esq.
Bank Commissioner*

N.B. Delay, in my view, in this case, would be decidedly dangerous. D.C.

By July 25, four days before the closure of the bank, E.W. Hubbard of the board arrived in Manhattan for the purposes of deposing the major players, before deciding what actions should be taken.

During his deposition, Chase explained that earlier that year, he had received notes from Mr. Brown (VP) and Mr. Rennick (Pres) of the new Circleville Bank (that is, the bank formed in 1840 claiming to be authorized by a charter dating from 1818, as opposed to the legitimately chartered bank by that name that had opened in 1834), requesting \$17,500 as soon as possible, to be charged to the account of Calvin L. Cole, who had recently purchased a controlling interest in the Manhattan Bank from John H. James. This transaction is shown in James' daybook as occurring on April 25, 1840.

In an attempt to discern the nature of this request, Chase went to Columbus only to find that Cole had gone east. At this point it is best to quote his testimony.

From this circumstance, and others which I heard of, together with some facts which I accidentally came in possession of about that time, I was led

to believe that all was not right. From what I had heard, I was led to believe that Mr. Cole had, by some means or other, contrived to get out of the Bank, fraudulently, a small amount of money – I could not tell how much.

I accordingly questioned our cashier, Mr. Chamberlain, very closely upon the subject, but he averred, most solemnly that all was right.

I, however, was not satisfied with this, but told him he must resign, or fill up his bonds to about \$50,000. He chose to do the former, until he could send forward his bond to Buffalo for responsible signers, or names. It was not long, however, after this, when I became satisfied that Mr. Chamberlain had let Mr. Cole have monies which were not charged to him. I accordingly charged it upon him to his face. He acknowledged the whole matter, and to my astonishment, he had let Mr. Cole have about \$25,000 more than I knew anything about, although he had told me a day or two before of a \$10,000 transaction of a similar nature. I immediately wrote to Mr. Hubbard, Bank Commissioner (yourself) requesting him to come to Manhattan as soon as possible, giving him my reasons why I wished to see him here.

Not surprisingly, the majority of the testimony in the record is that of W.A. Chamberlain, the cashier. He says that he began in that capacity on May 5th, very shortly after Cole took ownership. He further states that he resigned as Cashier on July 3rd, which gives us some sense of the timing in Chase's story.

According to Chamberlain, on May 16th, \$16,000 was paid in \$1-\$2-\$3 notes, with a few \$5s, to Cole without the knowledge of Chase or the directors, and kept off the books. The small denomination notes were not new -- they were primarily previously redeemed but uncanceled notes, stored in a box in the bank building. The total amount was added to circulation on July 19 (two days after Chase's letter to Hubbard), but until then kept only in a "small book or memorandum." Additionally, Silas Stone, an agent for Cole, received \$3K, and \$5K from Danforth for a total of \$8K also without the knowledge of Chase. All told, \$21K was paid in small notes. The exact contents of Chamberlain's book were reproduced in the testimony.

1840 May 16	Drawn on C.L. Cole, cash per Willis	\$16,000
" " 17	do do Stone	\$3,000
" " 21	per Cornwall & Son	\$7,000
" " 24	D. Chase	\$9,000
" June 2	C. Danforth	\$20,000
" " 2	Stone	\$5,000
		\$60,000
1840 June 14	Credit to C.L. Cole, cash received	\$7,500
" " 18	do charge to account	\$9,000
" " "	Stone	\$8,000
" " "	charge C.L. Cole & Co.	\$19,000
		\$43,500

In addition to these loans, Cole had deposited two certificates of deposit, one in his name for \$5,000 and one on the Binghampton Bank for \$18,000, as part of his share of the bank's capital. It is likely that Chase learned of some, but not all, of the fraud before sending his letter on the 17th. It is not surprising that after deposing the main players on the 25th, Hubbard got a *writ of mandamus* two days later, and that the bank was placed in receivership on the 29th.

In his testimony, Danforth states that he was made President *pro tem* on May 4th, 1840, as Cole told him that Mr. Chase was not in town often enough to perform the day-to-day duties required. It is worth noting that in response to this

<u>Date Rec'd</u>	<u>Shipment</u>	<u>Amount</u>	<u>Printer</u>	<u>Wolka #</u>
12 Nov 1837	1000 sh. 1-1-2-3	\$7,000	Wright & Prentiss	1532-03, -05, -07
28 Nov 1837	1000 sh. 1-1-2-3	\$7,000	Wright & Prentiss	-03, -05, -07
7 Dec 1837	4000 sh. 1-1-2-3	\$28,000	Wright & Prentiss	-03, -05, -07
26 Mar 1838	2000 sh. 5	\$10,000	Rawdon, Wright & Hatch	-11
26 Mar 1838	400 sh. 25 ²	\$25,000	Rawdon, Wright & Hatch	-17
10 Sep 1838	2000 sh. 2,1,1	\$8,000	Rawdon, Wright & Hatch	-06, -04
27 Oct 1838	2000 sh. 5,2,1,1	\$18,000	Rawdon, Wright & Hatch	-11, -06, -04
4 June 1839	3000 sh. 1,1,1,3	\$18,000	UBS&H	-02, -09
13 Mar 1840	3000 sh. 10,5,5,5	\$75,000	UBS&H	-14, -10
		\$196,000		
20 May 1840	3000 sh. 10-5-5-5	\$75,000	Rawdon, Wright & Hatch	-13, -12
10 July 1840	5000 sh. 10-5-5-5	\$125,000	Rawdon, Wright & Hatch	-13, -12
		\$200,000		

claim, Chase told the Commissioners on the 25th that he had not left the bank since the 17th, even sleeping there at night. Obviously, he was concerned about what was happening to the Manhattan Bank.

Danforth acknowledged signing a number of notes, specifically “[t]he largest part of them dated May 1st 1840; a small part of them dated June 1st 1840; denominations fives and tens. No other denominations signed by me. Perhaps a small part of the amount signed by me may have been dated 4th of May, 1840.” This author is aware of survivors bearing Danforth’s signature dated both May 1 and May 4.

The record is unclear how much of a knowledgeable accomplice Charles Danforth was in Cole’s fraud. His brother Dwight was a business partner of Cole’s, but it is possible that Charles was just an available tool by which Cole could bypass Chase’s involvement in the business of the bank.

For his part, Chase received no blame for the bank’s failing from the Commissioners. On the contrary, the final report made clear that “[t]he promptness with which this communication was made, after the frauds were ascertained by the President, and the facilities afforded by him for a thorough and immediate examination of the Manhattan Bank, together with his desire to redeem the paper improperly put in circulation, and to protect the interests of those to whom the institution was indebted, would seem to require of us a marked expression of our approbation.”

Manhattan Bank Issues

As part of his deposition in preparation for the *writ of mandamus*, Chamberlain was asked to give the dates, contents, and amounts of every shipment of currency received by the Manhattan Bank during its existence. Fortunately for us, he was able to do exactly that. The accompanying chart shows his response; the first three columns are his testimony, while the last two represent educated guesses of the notes in question, based on known examples.

The last two deliveries are referred to by Chamberlain as being from “new plates,” ordered on May 10, 1840, and received on May 20. Chamberlain further notes that at some point during March 1838, \$75,000 worth of \$25 post notes (Wolka 1532-16) were received, but none were ever issued or even prepared for issue. In addition, the shipment received on March 13, 1840 was destroyed by fire at the behest of the directors of the Bank on April 28 of that year. This explains the existence of proofs (Wolka 1532-10 and -14) for which no circulating examples have been reported. From the reports, it is also possible to put together a

timeline of all officers of the Manhattan Bank, against which legitimately signed surviving notes can be compared.

<u>Cashier</u>	<u>President</u>	<u>Dates</u> ³
Henry D. Ward	David Chase	Open – Oct 1839
Foster M. Follett	David Chase	Oct 1839 – May 1840
W.A. Chamberlain	David Chase	May 5, 1840 – July 3, 1840
W.A. Chamberlain	Charles Danforth (<i>pro tem</i>)	May 4, 1840 – July 3, 1840
F.L. Nichols	David Chase	July 18, 1840 – close

This author is unaware of any notes signed by Nichols, and considers it unlikely that any such notes were issued.

Unfinished Business

Some loose ends still remain. Notes with dates and signatures that are likely spurious are known. The results of receivership are not included in the Bank Commissioners' report. Calvin Cole's role and ultimate fate is still hazy. Most directly applicable to this discussion are the specifics of the transfer of ownership from James to Cole. It is easy to assume that the destruction of notes that occurred on April 28 was ordered by Cole upon gaining control, but that is not certain. Whether James had any knowledge of Cole's plans, or for that matter, who approached whom is still unknown. Fortunately, a great number of James' letters survive in a number of collections, so these last questions may yet be answered. In any case, it is best to end with a final quotation from the final Bank Commissioners' report:

The inspection of the Manhattan Bank has presented a map of testimony, of a character so extraordinary that we deem it our duty to lay the principal part of it before the General Assembly.

The author is interested in histories and materials of all Ohio banks preceding the State Bank of Ohio era (1803-1844). He can be reached at jddavenport@hotmail.com.

End Notes

1. All quotations come from the Bank Commissioners' journals, dated July 27, 1840, for testimony of the Manhattan Bank officers, and October 2, 1840, for the final report.
2. The report does in fact read 400 sheets of \$25 notes, totaling \$25,000. Given the totals included in the report, it is likely that the number of sheets was incorrectly transcribed, and 1,000 sheets is the correct quantity.
3. Dates given are when the officers were actually in office. In the cases of Chamberlain and Danforth, we know that both signed notes dated May 1, 1840, even though they did not take office until a few days later.

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The Durable Series of 1880 Legal Tender \$500 Plate

A NEW 4-SUBJECT \$500 LEGAL TENDER PLATE WAS MADE with Schofield-Gilfillan signatures at the start of the Series of 1880. It was lettered A1-B1-C1-D1, the same as a previous Series of 1874 plate.

Thus began an odyssey that would see this plate through 32 years of periodic service with ten different signature combinations and at least one reentry of the vignettes, which was carried out in the midst of the Rosecrans-Huston administration.

We have not observed a longer serving large size U. S. currency plate, although it is possible that one could be found.



The Paper Column by Peter Huntoon and Doug Murray

In contrast, three 4-subject Series of 1880 \$1000 plates were made during this same period. The largest number of signature combinations used on any one of them was four.

Fewer Series of 1880 \$500 notes were printed than \$1000s. A total of 27,000 impressions, or 108,000 notes, were printed from the \$500 plate in comparison to 52,000 impressions or 208,000 notes from the three \$1000 plates (Moffitt, current).

The early high denomination legal tender plates have proven to be very interesting for three reasons. (1) They were routinely altered to carry new series dates and treasury signatures. (2) The positions of the treasury signatures and their titles were transposed on several of the plates. (3) Patent dates for innovations involving printing technology and paper were placed on several of the plates.

We'll document these interesting occurrences for you here, so our discussion will range wider than a simple look at the Series of 1880 \$500 plate.



Figure 1. \$500 Series of 1880 legal tender proof with Rosecrans-Hyatt signatures. This combination was the third out of ten that was placed on the plate.

Signature Changes

Large size national bank note and high denomination type note face plates were not hardened because their limited use simply didn't require it. Consequently, it was rather easy to alter them, or to reenter worn or damaged design elements.

New signatures and series dates were placed on the high denomination legal tender plates with regularity. The process of changing signatures involved burnishing the old signature off the plate, and entering the new one.

An intaglio die was made containing the new signature. The die was then hardened so a soft steel transfer roll could be lifted from it. The roll was hardened, and used to transfer the signature onto each of the subjects on the plate. A separate roll was used to enter the title under the signature.

If removal of an old signature or entry of the new one caused damage to adjacent design elements, appropriate rolls would be retrieved and used to reenter them. Similarly, if the vignettes exhibited wear, they could be reentered as well before the plate was recertified and put back in service.

Typically, but not always, the siderographers who made the alterations added their initials to the upper border of the plate. Consequently, successive proofs generally exhibit new initials so the chronology of the work on the plate can be deduced with fair accuracy.

The first initials on the \$500 Series of 1880 plate were PJG, and appeared during the Rosecrans-Jordan administration, but sometime after their signatures had been added to the plate. The new work done by PJG involved adding the plate number 619 to the bottom margin and maybe even reentering the vignettes.

Siderographer initials were strung 2/3rds of the way across the top margin of the plate by the time it was discontinued in 1912! But not all of the siderographers placed their initials on it, especially during the early years.

The idea, though, is that this remarkable plate was one of the most, if not the most, frequently altered plate in the history of the large size issues!

Earlier \$500 Legal Tender Plates

The design used on the Series of 1880 \$500s was first used for Series of 1874 Allison-Spinner notes. Two 4-subject Allison-Spinner \$500 plates were made that were lettered A1-B1-C1-D1 and A2-B2-C2-D2. They were respectively logged into the record of plates on January 22 and May 12, 1874.

Only the A2-B2-C2-D2 plate was used to print Allison-Spinner notes. The positions of their signatures were transposed on it.

Both plates were altered into Series of 1875 Allison-New plates when New replaced Spinner in 1875. Their signatures appeared in the correct locations on the new versions of the plates. Notice that they had to move Allison's signature to the left side on both. Only one note is reported with Allison-New signa-



tures, and it is from the A2-B2-C2-D2 plate.

Later, when Wyman replaced New in 1876, the A1-B1-C1-D1 plate was altered again to carry the Allison-Wyman combination. The Series was left as 1875.

Lastly, the A2-B2-C2-D2 plate was altered again to carry the Allison-Gilfillan combination after Gilfillan assumed office in 1877. Series of 1875 was removed from the plate, and Series of 1878 was overprinted on the notes instead.

Once again, they transposed the positions of officer's signatures and titles on the Allison-Gilfillan version of the plate. This is especially odd because Allison's signature already was on the plate in the correct position before the alteration, so it had to be removed again and repositioned!

Both of the early \$500 plates were replaced by a new A1-B1-C1-D1 plate which served the entire Series of 1880, and which is the focus of this article. That plate was entered into the record of plates on February 17, 1880.

The BEP seemed to have had a problem with the placement of treasury signatures on some of the legal tender plates because signatures were also transposed on several versions of the \$50 plates as well. The signatures on the Series of 1874 and 1878 \$50 plate were transposed, but correctly positioned on the Series of 1875 version, just as had happened on the \$500 plate.

The problem persisted on the \$50s into the Series of 1880 where the first five signature combinations come transposed. These involve all the notes with the Bruce-Gilfillan, Bruce-Wyman, Rosecrans-Jordan, Rosecrans-Hyatt and Rosecrans-Huston combinations, including all the different treasury seals that go with each.

Patent Dates

Another curiosity involving the \$500 plates is a patent date that appears in very fine letters in the upper border of the box used for the lower left serial number. This reads "Geo. W. Casilear's Patent Nov. 24, 1868."

That patent date is on all the \$500 Series of 1874 through 1878 issues. It also was placed on the Series of 1880 plate for use with the unissued Scofield-Gilfillan and issued Bruce-Wyman combinations. The patent date was removed from the plate before the Rosecrans-Jordan notes were printed.

Reed (2008) advises that Casilear's Nov. 24, 1868 patent pertained to overprinting serial numbers on a fine line guilloche to foil tampering. The patent attribution first appeared on Series of 1869 Rainbow legal tender notes, but not the \$500.

Figure 2. The treasury signatures and titles on \$500 plate A2-B2-C2-D2 were successively altered and used to print the Series of 1874 (top), Series of 1875 (middle) and Series of 1878 (bottom). Notice that the positions of the treasury signatures were erroneously transposed on both the top and bottom versions of the plate. Especially notice how Allison's signature was moved back and forth on the plate between each series!



Figure 3. This detail shows Casilear's patent date for the concept of using a fine line guilloche behind serial numbers in order to foil alteration or counterfeiting. This same concept is the reason why seals on modern notes are overprinted over engraved work because it is difficult for counterfeiters to make photographic color separations from the original as they attempt to make their own plates to duplicate the note. (Photo courtesy of Doug Murray)

Casilear's patent no. 84,341 stated: "Be it known that I . . . have invented a new and improved Mode of Preventing the Alteration of Numbers or the Addition of Figures on Bonds, Notes, and other Securities . . . on a finely-engraved background . . . of scroll-lathe work, or any other printed matter, the groundwork of which shall be tinted in fugitive colors or inks."

Furthermore, he advocated printing serial numbers between terminators "leaving no room for adding an additional number on either side of the figure or figures." These terminators included parentheses, or, as seen on the Series of 1869 notes, a prefix letter and a suffix consisting of a five pointed star.

According to Reed, Casilear had a long and somewhat turbulent career in the bank note industry. He rose to Chief Engraver and Superintendent of the Engraving Division at the Bureau of Engraving and Printing. He also patented an improved paper to foil altering in 1875, and three years later another improved bank note paper employing localized fibers and coloring.

His idea for using terminators in serial numbers resulted in their being adopted for use in treasury sheet serial numbers on national bank notes in April 1869. Three changes were made on the nationals: (1) in most cases, prefix letters were added to the numbers if they were not already in use for the plate combination, (2) the numbers were formally terminated with brackets, and (3) spaces between the prefix letter and the numbers were eliminated.

The idea of superimposing overprints on engraved work was used in the security engraving trade because the technique foiled the efforts of counterfeiters to make photographic color separations as they prepared their own plates. Often people look at a busy looking note, say a Series of 1882 brown back national bank

Table 1. Treasury signature combinations and seals that appeared on Series of 1880 \$500 and \$1000 notes. The signature combination was not placed on a plate if the denomination is omitted.

Register-Treasurer	Dates	Signatures	Current	Denominations ^a	Seals
Scofield-Gilfillan	Apr 1, 1878-May 20, 1881			500	none printed
Bruce-Gilfillan	May 21, 1881-Mar 31, 1883				
Bruce-Wyman	Apr 1, 1883-Apr 30, 1885			500	1000(1) large brown
Bruce-Jordan	May 1, 1885-Jun 7, 1885				
Rosecrans-Jordan	Jun 8, 1885-May 23, 1887			500	1000(1) large red plain
Rosecrans-Hyatt	May 24, 1887-May 10, 1889			500	1000(1) large red plain
Rosecrans-Huston	May 11, 1889-Apr 24, 1891			500	1000(1) large red spiked
Rosecrans-Nebeker	Apr 25, 1891-May 31, 1893			500	small red
					1000(2) large brown
Rosecrans-Morgan	Jun 1, 1893-Jun 30, 1893				
Tillman-Morgan	Jul 1, 1893-Jun 30, 1897			500	1000(2) small red
Tillman-Roberts	Jul 1, 1897-Dec 2, 1897				1000(3) none printed
Bruce-Roberts	Dec 3, 1897-Apr 6, 1898			500	small red
Lyons-Roberts	Apr 7, 1898-Jun 30, 1905			500	1000(3) small red
Lyons-Treat	Jul 1, 1905-Jun 11, 1906				
Vernon-Treat	Jun 12, 1906-Oct 30, 1909				1000(3) small red
Vernon-McClung	Nov 1, 1909-May 17, 1911				
Napier-McClung	May 18, 1911-Nov 21, 1912			500	1000(3) none printed

a. The three plates made for the Series of 1880 \$1000 notes are distinguished by the number in parentheses.



Figure 4. The use of patent dates peaked on the \$1000 Series of 1869 legal tender plate with Allison-Spinner signatures. That plate carried both Willcox's patent date for his special paper and Casilear's patent date for overprinting serial numbers on a fine-lined background. Notice that Casilear's patent date appears under each serial number.

note, and comment that the designers failed to leave enough room for the treasury seal. Printing the seal over black design elements, even though it obscured certain information such as plate dates, was deliberate.

The odd phenomenon of putting patent dates for such ideas on notes made its appearance in another form. The patent date of July 24, 1866, for James M. Willcox innovation for introducing colored fibers into localized areas within security paper, was placed on the earlier \$500 Series of 1869 legal tender plate with John Quincy Adams portrait.

That plate bore Allison-Spinner signatures, and was used to print the rainbow notes (Reed, 2008). However, Willcox's patent date was omitted from the new Allison-Spinner Series of 1874 plates when the \$500 was redesigned during their term to feature Civil War General Joseph King Mansfield's portrait. Consequently Willcox's patent date wasn't mated with Casilear's patent date on any of the new design \$500s.

In contrast, the use of patent dates reached its zenith on the \$1000 Series of 1869 legal tender plate with Allison-Spinner signatures. That plate carried both the Willcox and Casilear patent dates. In fact, Casilear's patent date is repeated twice, one under each serial number, which in retrospect seems a bit absurd.

Had that trend persisted, notes eventually would have been peppered with all sorts of patent dates! The queer aspect to these dates is that there was no indication as to what they referred.

The design of the \$1000 face was left unchanged when the new backs were introduced for the Series of 1878, but Wilcox's patent date was dropped then. Casilear's patent date was dropped from the \$1000 Series of 1880 issues beginning with the Rosecrans-Jordan issues.

It is amazing to discover how interconnected things are.

Acknowledgments

Doug Murray provided the information from the Record of Plates which he microfilmed at the National Archives years ago. Fred Reed provided the citation for Casilear's patent. James Hughes, Associate Curator, National Numismatic Collection, Museum of American History, Smithsonian Institution provided access to the certified proofs.

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The Modern Local Currency Movement in the United States and Canada

By Loren Gatch, PhD

AS IN PAST ECONOMIC DOWNTURNS, OUR CURRENT woes have prompted some to revisit the potential of local currencies to bring relief to beleaguered communities. While “BerkShares” and Detroit’s “Cheers” are the most recent examples of such scrip, the local currency movement in its modern form goes back to 1991, with the establishment of Ithaca “Hours” as a model for later issuers. Since then, more than eighty different experiments in local currency have been undertaken across the country. In this article, I describe briefly the ideas behind the use of local currency since the 1990s, and assess how successful such currencies have been. As many of these currency experiments have become defunct over the course of twenty years, I also offer a basic list of these issues. As time goes by and websites are taken down, information about these discontinued currencies is becoming scarce.

I. Why Local Currencies?

Designing a currency expressly to circulate in a limited area runs against the grain of our monetary experience of the last two centuries, which has been to make money a national responsibility. Along the way, the very appearance of money has also become increasingly standardized (and, I think, less interesting to look at). During disturbances like the Panic of 1907 or the Great Depression, local currencies have made comebacks, but have then disappeared once normal times returned. In contrast, modern local currencies have emerged in times of relative prosperity. While one might expect local currency advocates to be free-market libertarians, the modern movement is overwhelmingly liberal in its orientation, grounded in “Green” political activism with its opposition to large corporations, free trade and to globalization generally.

Arguments for local currency can be found in numerous places. Two prominent sources are Kennedy (1988) and Greco (2001). The following is a brief and typical list of the reasons given by local currency advocates:

1. Local currency keeps money circulating in communities, instead of it draining away in the form of corporate profits and other payments to distant financial centers.
2. Local currency fosters community self-reliance and solidarity, by promoting the exchange of goods and services only within the limited circuit of local currency circulation.
3. Local currency encourages diversity as something culturally and social-

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ly valuable in itself. Instead of consuming the standard wares purveyed by national chain-stores, users of local currency will instead patronize local producers of goods and services.

4. Local currency serves ideals of equity and social justice, first by recognizing certain services that are undervalued in terms of conventional money (child and elder care, for example), and second by encouraging a more egalitarian pricing of different goods and services.
5. Local currency is ecologically friendly, since it is not based on debt. Advocates argue that the national money supply created through fractional reserve banking creates an imperative of economic expansion, since the borrowings which give rise to the national supply of credit must be repaid through future earnings from an ever expanding economy. The consequence of such growth, advocates contend, is mounting stress upon regional and global environments.

This is not the place to seriously assess these claims, although conventional economic analysis is generally skeptical about the arguments made on behalf of local currencies. My concern instead is with the narrower question of whether these currencies have worked in the sense that, once introduced, they have circulated the way their founders intended. To answer this, it is useful to outline how the various schemes were intended to function.

II. The Ithaca Hours Model (1991-present)

Since the vast majority of local currency experiments in the 18 years since the founding of Ithaca Hours (1991) have used the latter as a model, it is helpful to describe the Ithaca experience (discussions of Ithaca Hours are numerous; see the Hours website at www.ithacahours.com).

At the core of local currency schemes is a directory of providers of goods and services who are willing to trade with each other using an exchange medium other than national money. Creating and maintaining such a direc-

“In Ithaca We Trust.” Residents of central New York have trusted in Ithaca Hours for 18 years. This local currency has also served as a model for other local currencies across the country since then.

tioning clearinghouse of goods and services is a substantial undertaking, even on a local scale. In the Ithaca case, the publication of *Hour Town* served for many years as a paper directory in the form of a newspaper circular; more recently, the listing of goods and services has migrated on-line (see <http://www.ithacahours.org>). Each provider of a good or service is given an initial



Ithaca Hours are denominated in whole and fractional parts of an equivalent hours' labor.

supply of Hours, in the form of a paper currency, for signing up (as well as for renewing yearly listings) which he or she can spend with any of the other listed providers, or with retail establishments in the city that will accept Hours on some basis. In this way, the supply of Hours is designed to grow with the increasing number of participants.

What makes this scheme more than just barter is the use of a medium, the Hour, which can circulate independently of the original participants. The system is designed to be flexible. Without maintaining an actual exchange rate, the conventional value of the Hour is set at \$US 10, which is also suggested as a minimum hourly wage, and which provides a benchmark for how providers will price their goods and services. For example, a dentist might price her skilled services in terms of a greater number of Hours than would someone offering unskilled yard work. For their part, participating businesses are encouraged to accept Hours in full or partial payment for their goods and services, with the understanding that accounts payable outside of Ithaca will always require national money. The overall supply of Hours is subject to some discretionary management by Circulation Committee of Ithaca Hours, Inc., which can remedy currency 'bottlenecks' and otherwise control the rate at which new currency is introduced.

In sum, given a critical mass of participants (in terms of their numbers as well as the diversity of their goods and services) these features of the system confer upon Hours the properties of a functioning, albeit restricted, currency. Indeed, in the words of Paul Glover, the founder of Ithaca Hours:

We regard Ithaca's HOURS as real money, backed by real people, real time, real skills and tools. Dollars, by contrast, are funny money, backed no longer by gold or silver but by less than nothing -- [then] \$8.4 trillion of national debt.
(<http://www.ithacahours.com/intro.html>)¹

III. The Spread of "Hours" to Other Communities

Ithaca Hours became the template for a number of other local currency experiments, and by the end of the 1990s several dozen communities throughout the United States and Canada had their version of Ithaca's time-based currency (see list below).

By and large, communities with Hours-style local currencies were either college towns or otherwise strongly progressive and Green in their political orien-

1. Editor's note: The outstanding public debt as of September 30, 2009, at 7:00:08 PM GMT was \$11,778,540,433,558.55, according to "U.S. National Debt Clock," http://www.brillig.com/debt_clock/ According to that same source the U.S. National Debt has continued to increase an average of \$3.78 billion per day since September 28, 2007. Each citizen's share of our National Debt is calculated at more than \$38,000 presently and growing! For those curious, you can view the calculated National Debt grow by the second at <http://zfacts.com/p/461.html>

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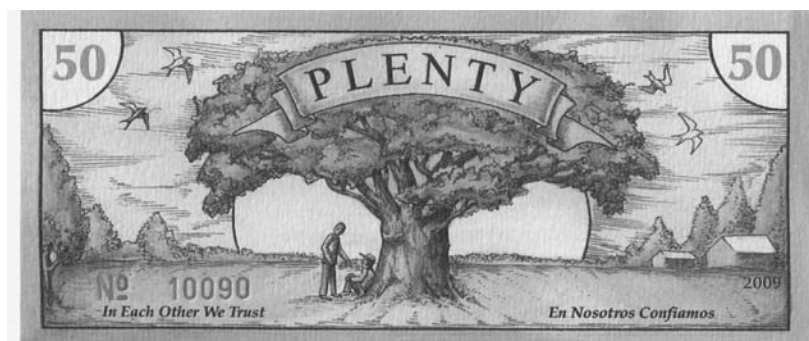
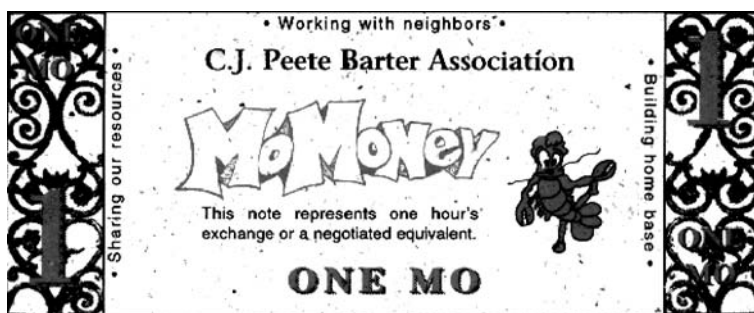
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Local “Mo Money” in New Orleans was patterned after Ithaca Hours. PLENTY notes were circulated in Pittsboro, NC. PLENTY is an acronym for Piedmont Local EcoNomy Tender.

tation. The town of Ithaca is both, and not surprisingly the West Coast was also heavily represented among the growing list of new currencies. Indeed, many currencies were established by local affiliates of the Green Party, or by activists for Green causes. Calgary Dollars is run by the president of the Alberta Green Party. In addition to Paul Glover’s advocacy, by the mid 1990s the E.F. Schumacher Society of Great Barrington, Massachusetts (www.smallisbeautiful.org) took the lead in promoting local currencies by sponsoring conferences and workshops on the subject, serving as a clearing house for information, and sponsoring its own local currency experiments in the Berkshire region (which, interestingly, were never of the Hours variety).

Most currency experiments of the 1990s took Glover’s Ithaca Hours as their explicit model, even if they differed in the details. In Berkeley, California, the currency was styled as BREAD (a neat acronym for Berkeley Regional Exchange and Development) and set at one BREAD to \$US 12. BREAD was unusual for requiring endorsements as it circulated. Also rated at \$US 12 was one “Greenback” in Brooklyn, New York and one “Eco” in Eugene, Oregon. Likewise, Tamworth, Ontario’s Hours, billed as a “truly Canadian UsuryFree Enterprise”, corresponds to \$C 12. Sonoma Hours (Santa Rosa, California) went for \$US 20. Pittsboro, North Carolina’s PLENTY (for Piedmont Local EcoNomy Tender—as an acronym it’s a stretch!) represented \$US 10, at least in its earlier version. “Mo’ Money” of New Orleans was equivalent to \$US 5.

In all these cases, the dollar valuation of time-based currencies never implied an actual exchange rate; instead, users were supposed to orient themselves towards that rate when they bid or offered using the currency. Those experiments not using the Hours concept—Valley Dollars (Massachusetts), Tucson Tokens and High Desert Dollars (Arizona), REAL Dollars (Kansas), and Calgary Dollars (Alberta)—instead pegged their currencies one-for-one to national currencies. By the late 2000s, this latter formula has come to dominate local currency schemes, for reasons to be explored at the end of this article.

Terms of entry into the various currency systems of the early 1990s also differed, especially insofar as directory listings might require some nominal upfront payment in standard funds. Both Valley Dollars and REAL Dollars were distinctive in that their issuers required the deposit of collateral of equivalent value—gift certificates in the first case, the equivalent of standard funds in the sec-

ond. Otherwise, what backed these Hours currencies was nothing more than the promise that each participant offered something that another participant would find valuable. For most of these currencies, the name “Hours” and the notional valuation of \$US 10 remained the norm. Such designations of value are arbitrary, as are all monetary conventions. But they were useful in signaling to participants how they should rate the bidding and offering of goods and services that created the rationale for the local currency in the first place.

Also local are the look and feel of these currencies, into which their designers have incorporated locally-relevant features, themes, and personalities. If the Ithaca HOUR and its fractions were (to my mind) a bit staid in appearance, other local currencies have proven more venturesome. Both Mendecino SEED (for Self-sufficient Ecological Economic Development) and Sound Hours (Olympia, Washington) used aquatic themes. The ten-“Slice” note of Burlington, Vermont features the bounty of a local farmers’ market, as do Pittsboro PLENTY notes. New Orleans’ “Mo’ Money” incorporates drawings made by children from the housing project where the currency originated. Ukiah Hours adapted local historical photographs for their currency vignettes. Tamworth Hours are even more photorealist in appearance and, thanks to modern printing technology, can even be personalized with one’s own picture! The three-REAL Dollar (Kansas) note sports the Beat author and bad marksman William S. Burroughs, who moved to Lawrence late in his career. My sentimental favorite is the “Dillo Hour” of Austin, Texas. This note celebrates the armadillo, a creature which, while heavily armored, is tragically slow, and thus no match for the murderous drivers on interstate highways of the Southwest.

IV Have Local Currencies Worked?

The short answer is, by and large, “No.” One of the first serious studies of local currencies was done by Ed Collum (2005), a sociologist at the University of Southern Maine, who found a failure rate for local currencies of about eighty percent. By 2004, according to Collum’s count, out of eighty-two currencies introduced, only seventeen remained active (www.usm.maine.edu/~collum/cc.html). The two most important factors contributing to this mortality rate, Collum found, were “leadership burnout” amongst the unpaid volunteers who have administered the currency programs, and the tendency of active participation in local currency exchanges to decline over time. A study in 2008 by economists at Bucknell University only reinforced this conclusion, and found minimal economic benefits to the use of local currency (Krohn and Snyder 2008).

Why should local currencies be such difficult things to achieve? The answer, I think, lies in the properties of money itself. Like other human creations with a high information content, money tends to exhibit network and scale effects, meaning that the more people use it, the more useful it becomes to people. In this sense, successful money is money whose circulation expands at the expense of less desirable alternatives (when governments enforce the circulation of undesirable currency the reverse happens, which is Gresham’s Law). To explicitly design a currency that functions only locally is thus a bit counterintuitive. In effect, the properties of money that make it so useful are purposefully impaired, in order to keep its use restricted to serve the progressive ethical values that local currency advocates consider important. In the case of local currencies, this is achieved by discouraging a proper exchange rate with the outside world, which diminishes the incentive of people who have outside financial obligations to use it.

As a consequence, even when established, local currencies have required enormous work to keep going, since if left alone they tend to wither. Key to their viability is the maintenance of a critical mass of bids and offers of products of a sufficient diversity that the currency will find use. No matter how many transac-

tors are willing to handle the currency, volume of use will be small if people are only offering aromatherapy and massages to each other. The ordinary and practical instances of currency use—car repair, purchases at the hardware store—become few and far between to the extent that receipts in local currency cannot be used to meet outside obligations. Indeed, a common problem in local currency-using communities has been the overloading of local natural food stores and co-ops which, unlike the chain grocery stores, are ideologically sympathetic towards such scrip but lack the financial flexibility to process much of it. In Ithaca, Green Star Cooperative Market accumulated fully one-third of the entire circulation of Hours by 2008, leading Green Star to reduce the amount of Hours it would accept. In Carrboro, North Carolina, Weaver Street Market became a similar focus of PLENTYs.

At the bottom of these difficulties lies a cart-before-the-horse paradox. Local currencies were touted for their community-building and –protecting potential, yet themselves require considerable community mobilization if they are to succeed. Ithaca Hours has survived for so long not just because of the dedication and energy of its founder, Paul Glover, but because the program created institutions in Ithaca that enabled its currency to outlast the departure of Glover from active involvement in its routine maintenance (indeed, it was prompting by the State of New York that caused the Ithaca Hours organization to incorporate in the first place). These institutions—from governing boards to potlucks to vegan pancake breakfasts—re-energize the local population’s connection to the currency and keep its circulation from experiencing the inevitable decline. Other success stories on the Ithaca Hours model—Anacostia Hours, Corvallis Hours, Madison Hours—exhibit a similar evolution. Both Calgary Dollars and Philadelphia’s Equal Hours are distinctive not just for valuing their currencies one-for-one in terms of national money, but for lining up substantial foundation and outside grant support to keep their systems viable.

An article in this journal’s March/April issue described how BerkShares circulate in Massachusetts communities with the support of local merchants and banks, where they show up in cash register tills like this one.

V Toronto Dollars and BerkShares: Models for ‘Second Wave’ Local Currencies?

While there have always been non-“Hour” type local currencies, the introduction of Toronto Dollars (www.torontodollar.com) in 1998 followed by BerkShares in 2005 (www.berkshares.org) heralded a shift in the design of local currencies towards a more flexible and pragmatic acceptance of financial links outside of local currency communities.

Unlike “Hours” currencies, Toronto Dollars and BerkShares are essentially consumer incentive programs—what Thomas Greco (2001) calls “cash-substitute scrip.” Participants buy in by purchasing with standard funds Toronto Dollars at 90%, and BerkShares at 95%, of their face values (i.e. 90 \$C buy 100 Toronto Dollars, 95 \$US purchases 100 BerkShares). The currencies are then spent with local merchants, who can deposit them at their bank at the original rates of 90 \$C/95 \$US respectively. In effect, local commerce is promoted by the promise of a slight discount to consumers and funded by smaller local business margins.



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Letters to the Editor

Dear Fred,

I want to thank you and your colleagues for the award for first place in the Federal currency category for the article "Picturing President Lincoln." I appreciate the recognition. Thank you very much. I hope you are well and finding lots of articles to publish.

-- *Barbara Bither*

Hello Fred!

Today I received an unexpected letter and small parcel from Benny Bolin: my first place medallion and blue ribbon for the Operation Bernard information I submitted last year to *Paper Money* on behalf of Danny Spungen.

Thank you! I am happy!

Best wishes,

-- *Donn Pearlman*



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Take it from those who have found the key to "Money Mart success" Put out your want list in "Money Mart" and see what great notes become part of your collecting future, too.

What are the advantages of Toronto Dollars and BerkShares over the earlier “Hours” programs? First, ambiguities about their supply and value are removed by pegging their issue to a proportionate deposit of national money. Knowing that Toronto Dollars and BerkShares can always be redeemed for nearly all of their face value, buyers and sellers can use them with confidence. Indeed, consumers have an incentive to use them to get the discount, while for merchants the 5%-10% loss upon converting back to standard funds may well be worth the extra business which these local currencies direct their way.

Second, these currencies avoid the problem of feeble circulation that has bedeviled “Hours” programs. Accepted across the economic spectrum and not just



BerkShares are sold and redeemed at 90% of face value, equivalent to U.S. dollars, giving a discount incentive to their use by consumers, and a business incentive to merchants.

by alternative economic niches, they require less work to keep them going. Excess supply can always be converted to standard funds and thus removed from circulation. And third, the programs don't require the alternative institutional development that Hours programs have needed to survive. The inaugural use of Toronto Dollars was by the city mayor himself. BerkShares work with the full support of the existing Great Barrington Chamber of Commerce, a very mainstream organiza-

tion. The disadvantages of the new model inhere in what their very ease and convenience leave out. Beyond a generic commitment to buying local, using Toronto Dollars or BerkShares doesn't require any ecological sensibility or commitment to green values, although in the case of Toronto Dollars the ten percent difference between their value and the Canadian dollar is dedicated to the Toronto Dollar Community Projects Fund. That said, it is hard to argue with success. On the heels of BerkShares, not only have other, similar plans for local currency been announced, but in one instance, older North Carolina PLENTYs of the Hour type were redeemed and reissued under a new program, bankrolled by a local businessman.

Ironically, as Ed Collum pointed out, communities supporting local currencies (typically, progressive college towns) are not exactly those marginalized or economically deprived areas that would most benefit from their use. Whether or not local currencies take on a new life in the 2010s depends on how bad the general economic situation becomes. At the very least they can't hurt, and in any case they illustrate the important truth that, ultimately, money is always a creation of people, and not of their governments.

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Local Currency Systems in the United States and Canada, 1991-Present

Loren Gatch
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The following list of American and Canadian local currencies has been compiled from a variety of sources; an annotated version of this list that discusses sources in greater detail can be found at <http://www.libarts.uco.edu/political/faculty/gatch/gatch.html>.

I made two editorial decisions that have changed the composition of this list compared to others. First, I dropped the Chamber of Commerce-sponsored plans (like Crested Butte, Colorado), which were essentially coupons or gift certificates not designed for general circulation. This includes any participants in defunct programs run by Certifichex, which declared bankruptcy last year. Second, I have dropped Liberty Dollars from this list. After studying its operation, I concluded that it is simply a scheme for selling bullion coins and has no genuine local content in its design. Salt Spring Island Dollars are also heavily oriented towards marketing numismatic products. However, since the scheme involves paper currency that is issued at a specific location, I left them on the list. Finally, I dropped entries that did not use actual currency, namely Local Exchange Trading Systems (LETS) and Time Dollars.

I considered a currency active if its website is functional and up-to-date. Of course, currencies can still circulate without websites, but in the absence of any other information this was the obvious criterion. In one case, "Dillo Hours" (Austin, Texas), I labeled it active without a website on the basis of a report made to me by someone who had recently visited that town.

This list remains incomplete in many places, especially concerning denominations and dates of operation. Even as I added listings for older currencies that received only incidental mention in the sources, I also tried to include references to schemes that are currently being conceived (like Detroit "Cheers"). I may have missed some of these newest ones. Anyone perusing this list who might be able to "fill in the blanks" or otherwise provide an information source, please contact me. Likewise, if you have currency images you wish to share, I would much appreciate it. Thanks!



1



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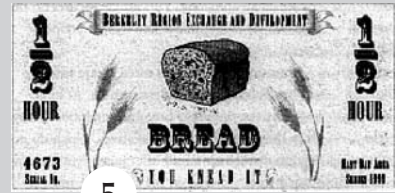
State/City	Name	Denominations (exchange rate)	Date Started	Current Status
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<u>Arkansas</u>				
Fayetteville	Ozark Hour			Forming
<u>Arizona</u>				
Flagstaff	Flagstaff Neighborly Notes	1/10, 1/2, one hour	2000	Inactive
Prescott	High Desert Dollars	1, 5, 10, 20 dollars		Inactive
Tucson	Tucson Traders	Tucson Token (=\$1 US)	1997 1999 (paper currency)	Inactive
Tucson	Tucson Local Currency			Forming
<u>California</u>				
Arcata/Eureka	Humboldt Exchange Community Currency	1, 5, 10, 20, 50 dollars	2003	ACTIVE, Illustrated #3
Berkeley	Berkeley BREAD	1/4, 1/2, and one Hour (=\$US 12)	1997	Inactive, Illustrated #5



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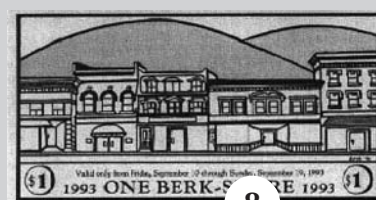


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Bolinas	Sand Dollars			Inactive
Eureka	Humboldt Hours		1999	Inactive
Eureka	Humboldt Clams		2000	Inactive
Garberville	Sequoia Hours			Inactive
Fort Bragg	Mendocino SEED			Inactive, Illustrated #10
Mendocino	Mendo Moola			Forming
Nevada City	TradeMarket	1/2, 1, 5, 20 Trades	2007 (date of first newsletter)	ACTIVE
North Fork	North Fork "Forks"		1999	Inactive
North Fork	North Fork Shares	1 Share (= \$US 12)	Summer 2009	Forming
Oakland	Acorns			Forming
Palo Alto	Area Bucks			Inactive
San Luis Obispo	San Luis Obispo Hours			Inactive
Santa Barbara	Santa Barbara Hours		1997	Inactive
Santa Monica	Santa Monica Hours			Inactive
Santa Rosa	Sonoma County Community Cash	1/4, one hour (= \$US 10)	1998	Inactive (2000)
Ukiah	Ukiah Hours	1/10, 1/2, 1, 2 hours	2000	Inactive (never opened) Illustrated #2
<u>Colorado</u>				
Boulder	Boulder Hours	1/2, one, and two hours (= \$US 10)	1993	Inactive
Boulder				Forming
Carbondale	Carbondale Spuds			Inactive
Durango	Community Cash		1997	Inactive (2000)
Fort Collins	NOCO Hours	1/2 hour	2002	ACTIVE
Paonia	North Fork Helping Hands		1999	Inactive
<u>Connecticut</u>				
Willimantic	Thread City Bread	1/4, one hour (= \$US 10)	1999	Inactive
<u>Florida</u>				
Gainesville	Gainesville Hours	1/4, one hour (= \$US 10)	1997 (1/4 hour issued in 1998)	Inactive (2003)
Georgia				
Atlanta	Atlanta Hours			Inactive
<u>Hawai'i</u>				
Kilauea	Kauai Barter and Trade Network	1, 5, 10 Coconuts	1995	ACTIVE?, Illustrated #4
<u>Idaho</u>				
Boise	Boise Hours			Inactive
<u>Indiana</u>				
Bloomington	BloomingHOURS	1/4, 1/2, and one Hour (= \$US 10)	1999	Inactive
Indianapolis	Barter Bucks		1994	Inactive, Illustrated #6

Kansas

Lawrence	REAL Dollars	1, 3, 10 dollars	2000	Inactive, Illustrated #1
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Kentucky

Berea	Berea Bucks	2, 10 dollars	1997	Inactive
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Louisiana

New Orleans	Mo' Money	One "Mo" (= \$US 5)	1996	Inactive, Illustrated p. 430
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Maine

Unity	Waldo Hours		1996	
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Maryland

Baltimore	Baltimore Hours	1/10, 1/4, 1/2, one hour (= \$US 10)	2001	Inactive (2003)
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Mount Rainier	Anacostia Hours	1 hour (= \$10 US)	2006	ACTIVE
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Takoma Park	P.E.N. Neighborhood Exchange			
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Massachusetts

Amesbury	Amesburg [sic?] Hours			Inactive
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Gloucester	Cape Ann Dollars			Inactive
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Great Barrington	Berkshares	1, 5, 10, 20, 50 Berkshares	1993	ACTIVE, Illustrated #8
			2006	ACTIVE, Illustrated p. 434
Greenfield	Valley Dollars	1, 5, 10, 20 dollars	1991	Inactive

Michigan

Detroit	Detroit Cheers		2009	Forming
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Detroit	Great Lakes Hours		1995	Inactive
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South Bend	Michiana Money			Forming
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Traverse City	Bay Area Bucks	1, 5, 10, 20 Baybucks	2005	ACTIVE
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Ypsilanti	Tower Hour			Forming
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Missouri

Columbia	Columbia Hours			Inactive
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Kansas City	Kansas City Barter Bucks		1993	Inactive
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Montana

Missoula	Missoula Hours			Inactive
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New Hampshire

Chesterfield	Brattleboro Hours			Inactive
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New Mexico

Santa Fe	Santa Fe Hours		1994	Inactive
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New York

Albany	Capitol Area Self-Sustaining Hours			Inactive
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Brooklyn	Brooklyn Greenbacks	1/8, 1/4, 1/2, one Greenback (= \$12 US)	1997	Inactive (2001)
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Brooklyn				Forming
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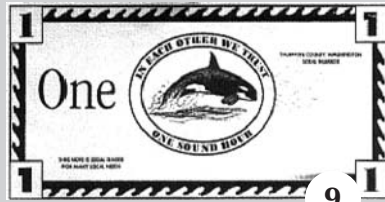
Buffalo	Buffalo Hours			Inactive
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Cobleskill	Common Cents	1/10, 1/2 one hour	2004	Inactive
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	Community Currency			
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Ithaca	Ithaca Hours	1/8, 1/4, 1/2, one hour (= \$10 US)	1991	ACTIVE, Illustrated #14
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Kerhonkson	Stoneridge Hours			Inactive
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10



11

New Berlin	Chenango Hours		1996	Inactive
Oneonta	Oneonta Hours	1/4, 1/2 hour, one hour (=\$10 US)	2001	Inactive
Philmont	Columbia County Hours		1995	Inactive
<u>North Carolina</u>				
Asheville	Earthaven Leaps			ACTIVE?
Carrboro	Carrboro Cash			Inactive
Durham	Bull City Bucks			Inactive
Mars Hill	Mountain Money		1995	Inactive
Pittsboro	PLENTY (Piedmont Local EcoNomy Tender)	1, 5, 10, 20, 50 PLENTYS (earlier: 1/4, 1/2, one PLENTY (=\$10 US)	2002: "Hour" version; 2009: "Berkshare" version	ACTIVE, Illustrated #13 One old PLENTY is being exchanged for 10 new PLENTYS
<u>Ohio</u>				
Akron	Summit Hours		1994	Inactive (2003)?
Apple Creek	Wooster Hours			Inactive
Cleveland	Cuyahoga Hours		1995	Inactive
Columbus	Simply Hours		1996	Inactive
Kent	Portage Hours		1994	Inactive
<u>Oklahoma</u>				
Tulsa	Tulsa Hours			Inactive
<u>Oregon</u>				
Corvallis	Corvallis Hours	1/8, 1/4, 1/2, one hour (=\$10 US)	2002, 2004	ACTIVE
Eugene	Emerald Ecos Community Currency	1/4, 1/3, 1/2, one Eco (=\$12 US)	2003	Inactive
Hood River/ GLCC	River HOURS	1/10, 1/2, one hour (=\$10 US)	2004	ACTIVE
Portland	Cascadia Hours	1/4, 1/2, one, two, four Hours	1994	ACTIVE
<u>Pennsylvania</u>				
Bethlehem	Lehigh Valley Barter Hours		1994	Inactive (1997) Illustrated #7
Philadelphia	Equal Dollars	1, 5, 10, 20 Equal Dollars	1996	ACTIVE
<u>Texas</u>				
Austin	Dillo Hours	1/4, 1/2, one Dillo Hour (=\$US 10)	1994	ACTIVE, Illustrated #12
Houston	Houston Hours			Inactive
Taft	Greyhound Bucks			Inactive
<u>Vermont</u>				
Brattleboro	Blue Money			Inactive
Bristol	Bristol Bucks			Inactive
Burlington	Burlington Bread/ Currency Project	1, 5, 10, 20 "Slices"	1998 (w/second issue in 2004)	Inactive, Illustrated #11
Hardwick	Buffalo Mountain Dollars	1/4, 1/2, one hour (=\$10 US)	1996	Inactive

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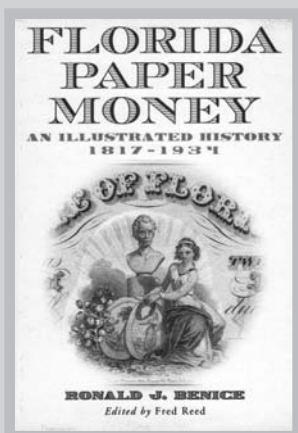
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Small Currency	6-5/8" x 2-7/8"	\$22.75	\$42.50	\$190.00	\$360.00
Large Currency	7-7/8" x 3-1/2"	\$26.75	\$48.00	\$226.00	\$410.00
Auction	9 x 3-3/4"	\$26.75	\$48.00	\$226.00	\$410.00
Foreign Currency	8 x 5	\$32.00	\$58.00	\$265.00	\$465.00
Checks	9-5/8 x 4-1/4"	\$32.00	\$58.00	\$265.00	\$465.00

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Side Open	8-1/2" x 17-1/2"	\$21.00	\$93.00	\$165.00	\$380.00
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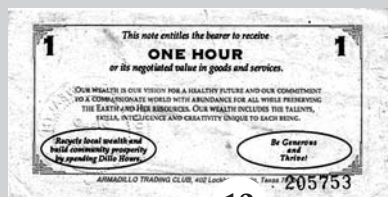
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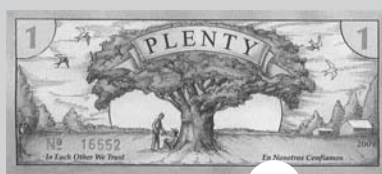
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12



13



14

Montpelier	Green Mountain Hours	1/10, 1/4, 1/2, one hour (=\$10 US)	1996	Inactive
<u>Virginia</u>				
Charlottesville	Charlottesville Barter Network	Is this a paper currency?		ACTIVE?
Floyd	Floyd Hours (Floydian Scrip)	1/4, one hour	2001	Inactive
<u>Washington</u>				
Bainbridge Island	Bainbridge Island Bucks		1997	Inactive
Bellingham	Life Hours	Is there a paper currency?	2004	ACTIVE
Bremerton	Kitsap Hours			Inactive
Kettle Falls	Kettle River Hours			Inactive
Bellingham	Kulshan Cash		1999	Inactive
Lopez Island	Lopez Island Hours		1995	Inactive
Mount Vernon	Skagit Dollars			Inactive
Olympia	Sound Hours	1/10, 1/5, one hour (=\$10 US)	1996	Inactive, Illustrated #9
Olympia	Olybarter Network			Inactive
<u>Wisconsin</u>				
Madison	Madison Hours	1/4, 1/2, one hour (=\$10 US)	1996	ACTIVE
Milwaukee	Milwaukee Hours			Inactive
Milwaukee				Forming

Prov./City	Name	Denominations (exchange rate)	Date Started	Current Status
<u>Canada</u>				
<u>Alberta</u>				
Calgary	Bow Chinook Hours		1996	Inactive
Calgary	Calgary Dollars	C\$1, 5, 10	2002	ACTIVE
<u>British Columbia</u>				
Nelson	Kootenay Hours		1994	Inactive
Prince George	Prince George Hours		1997	Inactive
Salmon Arm	shuSwap Hours		1994	Inactive
Salt Springs Island	Salt Spring Dollars	C\$1, 2, 5, 10, 20, 50, 100	2001	ACTIVE
<u>Nova Scotia</u>				
Halifax	Maritime Hours		1994	Inactive
Parrsboro	Coastal Gems		1997	Inactive
<u>Ontario</u>				
Kingston, Ontario	Kingston Hours		1996	Inactive
Tamworth	Tamworth Hours	1/12, 1/6, 1/4, 1/2, one, two hours	2004	ACTIVE
Toronto	Toronto Dollars	C\$1, 5, 10, 20, 50	1998	ACTIVE



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Why So Few Series 1923 \$10 Legal Tenders Were Issued By Lee Lofthus

THE SERIES OF 1923 LEGAL TENDER \$10 NOTE (FR-123) IS A scarce and desirable type note. Only 696,000 were issued. The limited issuance was the result of recommendations made in 1925 and 1926 by an internal Treasury Department group known as the Currency Board. This article explains the purpose and actions of the board, the background behind the Series of 1923 notes, and why the issuance of the \$10 Jackson note was abruptly discontinued.

Jackson's portrait on the face, the red overprint, and the attractive "poker chip" back made for a striking design. The Jackson note replaced the long-lived Bison \$10 note. More than 200 million Bison notes were issued over a period of twenty-four years; 696,000 Jackson notes were delivered over a period of fifteen days in February 1926. No additional deliveries occurred, leaving the Jackson note with a minuscule issuance that paled in comparison to the Bison note as well as the other new designs that were part of the Series of 1923.

The Series of 1923 Currency Redesigns

The Treasury had sought to simplify the types of currency in circulation for several years leading up to the early 1920s. The Fiscal Year 1921 Annual Report of the Secretary of the Treasury noted that redesigning the currency "has been before this department for more than a decade." The report cited the unsatisfactory "multiplicity and confusion" of the notes currently in use, and recommended the creation of uniform designs with key features being consistent across the differing types of currency. Reducing the size of the currency was another significant part of Treasury's redesign intentions.

The Secretary's report for Fiscal Year 1923 stated "Plans for the revision of paper currency designs, referred to in the previous annual report[s], have been completed." The plans for the new faces called for the elimination of allegorical designs in favor of portraits that would be standardized by denomination. Similarly, the new back designs would be uniform for each denomination across the differing types of notes, e.g. the backs of one dollar United States notes (herein Legal Tender notes) would be the same as the backs on one dollar Silver Certificates. The discussion to reduce the currency size created controversy, as it had in the past, so that initiative was omitted in the final 1923 plans.

Secretary of the Treasury Andrew Mellon announced the redesign decisions on September 10, 1923. Mellon indicated the Bureau of Engraving and

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OFFICE OF THE SECRETARY

WASHINGTON

November 17, 1925.

*Currency
Control**CS*
TO MR. DEWEY,
MR. BROUGHTON,
MR. EDDY.

In arranging for the meeting of the Currency Board to be held on November 18th, the Chairman stated that he intended to present for consideration at this meeting the subject of discontinuing the issue of \$10 United States Notes and to arrange for the issue of such notes in the smaller denominations.

To assist the Board in its consideration of this subject, I have made a rather hurried survey to ascertain whether such a plan could be made effective at the present time and provide sufficient money value production to meet the redemptions of United States Notes, and in what smaller denominations should the issues be made if the plan is adopted.

Attached hereto is a statement showing the present status of the production of \$10 U.S. Notes, the number of sheets available for use if 10's are discontinued, and the total money value that may be produced in United States Notes if the plan is adopted. It will be noted that there will be a greater money value production than is actually needed but this is due to the fact that the printing in the \$2 and \$5 denominations for the past few months has been entirely in United States Notes, the issue of silver certificates of these denominations having been suspended, but this will be more fully discussed later on in this memorandum.

It seems to me that it would be very desirable and tend to establish a more equitable balance of United States currency in each denomination to eliminate the \$10 U.S. Note and divert all proposed production therein to the \$5 U.S. Note, for the following reasons:

- (a) There is no demand from the banks for \$10 U.S. Notes, the supply of \$10 gold certificates being ample to meet the requirements for United States currency in this denomination, and the use of \$10 U.S. notes being largely a matter of providing money value to meet United States Note redemptions, which can be readily overcome by additional \$5 U.S. notes.

Printing (BEP) had been given the authority to execute the new designs, and that the new style notes would be issued over the course of time, beginning with the one dollar notes.

The announcement said the new face designs would use the following portraits: Washington on the \$1 note; Lincoln on the \$5; Jackson on the \$10; Cleveland on the \$20; Grant on the \$50; and Franklin on the \$100. The \$2 note was omitted from the announcement since Treasury was then considering its elimination. The standard portraits would be used on Legal Tender notes, Silver Certificates, and Gold Certificates. The design changes were not immediately applicable to national bank notes or Federal Reserve notes, pending further study of those classes of currency.

The redesign plan also included changes to the color of the Treasury seals: Silver Certificates would continue to use blue seals; future Legal Tender notes would use green seals; future Federal Reserve Notes would return to the use of red seals; Gold Certificates would retain yellow seals; and national bank notes would return to the use of brown seals.

The matter of seal color provoked internal debate before the colors were adopted because the Treasurer's office and the Public Debt Service predicted numerous sorting and identification problems if the Legal Tender notes were to receive green seals. Redeemed Legal Tenders were sorted with commingled Silver Certificates, and it was feared worn blue seals and green seals would not be distinguishable in the high volume, high speed sorting operations. The practical arguments prevailed, and the seal decision was revised on December 4, 1923. Thereafter, future Federal Reserve Note designs would receive green seals, and Legal Tender notes would continue use of red seals.

The first of the new notes, designated Series of 1923, were released on December 1, 1923 with the delivery of the \$1 Silver Certificates. The \$1 Legal Tender notes followed January 3, 1924. The \$5 Silver Certificate Lincoln Porthole notes entered circulation on August 7, 1924.

Regarding the Jackson \$10 notes, the BEP had plates ready in February 1924, and Treasury reported in mid-1924 that "printing of the United States notes of the \$10 denomination has commenced." The 1925 annual report of the Treasury noted, somewhat sheepishly, that the new Series of 1923 designs were "admittedly utilitarian in character. . . ."

Complications with the Currency Supply

Treasury was battling other currency supply problems while the BEP made progress creating the new designs. In the Secretary's Fiscal Year 1924 report, Treasury noted a dire need for additional \$1 notes and that the supply of seasoned currency sheets was dangerously low. "Seasoned" sheets were those that received a proper period of aging prior to final printing, a process that improved the wear qualities of the notes and extended their life in circulation. Unfortunately, seasoning the sheets was a luxury when BEP was struggling to establish even a minimal reserve of notes.

Through late 1924 the currency supply conditions worsened. Treasury reported that demand for "additional amounts of \$1 notes continued unabated." The fitness of the notes in circulation was generally "far below an acceptable standard." "Reserve stocks in the bureau [BEP], in the office of the Treasurer of the United States, and in the Federal reserve banks were depleted almost to the vanishing point."

Treasury Creates the Currency Board

Faced with growing problems over the supply of paper currency, Secretary Mellon established the Currency Board on January 8, 1925. The three



person board was comprised of Assistant Fiscal Secretary Charles S. Dewey (as chair), Commissioner of the Public Debt William S. Broughton, and Federal Reserve Board secretary Walter L. Eddy. W. J. Collins, of the Currency Control Unit, Division of Loans and Currency, Public Debt Service, served as secretary. The board was to analyze currency printing, supply, and distribution requirements.

The Board's initial efforts focused on increasing the printing of one dollar notes and gold certificates, increasing the standard of fitness for notes in circulation, and creating a working reserve of partially completed sheets at the BEP. The board met monthly throughout 1925 to ensure adequate currency supplies were being made available to the banking system and economy.

The Board Moves to Simplify Currency Denominations

One factor apparent to the Board was the workload difficulty faced by BEP because of the need to engrave plates and produce notes for so many differing types and denominations. The Board moved quickly to simplify things for the BEP and for the other offices in Treasury responsible for note redemption, sorting, and accounting. On February 21, 1925, Assistant Secretary Dewey wrote to BEP Director Alvin W. Hall, indicating the board was working to eliminate the duplication of the kinds and denominations of notes. Dewey instructed Hall to eliminate printing \$1 Legal Tender notes and \$5 Silver Certificates, effective as soon as the plates for those notes became worn out.

The Board Ends the \$10 Legal Tender Denomination

On November 17, 1925, in preparation for a meeting the following day, board secretary Collins sent a memo to the Board outlining Chairman Dewey's intention to discuss "the subject of discontinuing the issue of \$10 United States Notes and to arrange for the issue of such [Legal Tender] notes in the smaller denominations."

Collins stated that "it would be very desirable and tend to establish a

Treasury intended the Series of 1923 notes to have standardized portraits for each denomination. This BEP model shows a Jackson Series of 1923 \$10 Gold Certificate was being designed to join the Jackson \$10 Legal Tender. The gold note model never made it to production.



The Series of 1923 Legal Tender \$10 note (Fr-123) was the last of its kind. The Treasury Department's Currency Board decided to stop issuing \$10 Legal Tenders within weeks of the new Jackson design entering circulation. (Illustration courtesy of Heritage Auctions/CAA)

more equitable balance of United States currency in each denomination to eliminate the \$10 U.S. Note and divert all proposed production therein to the \$5 U.S. Note. . . ." The rationale for eliminating the \$10 was essentially three-fold: (1) adequate \$10 Gold Certificates in circulation meant there was no demand from banks for the \$10 Legal Tenders, and issue of the \$10 notes was largely required only to meet redemptions of worn Legal Tenders; (2) banks wanted more \$5 notes in circulation; and (3) additional \$5 Legal Tender notes would satisfy both the redemption requirement and the desire of the banks for more \$5 notes.

Collins added that "Personally, I am very much in favor of simplifying the currency as far as possible through the restriction of kinds to denominations." Collins said he believed the "ideal line up" would be \$1 notes as Silver Certificates only, \$2 and \$5 notes as Legal Tender notes only, and all notes \$10 and up as Gold Certificates. He concluded by saying "There seems to be no practical objections to the elimination of the \$10 U.S. note and substituting in lieu thereof the \$5 U.S. Note. . . ."

The Board approved the simplification plans. However, on December 11, 1925, it indicated that the November 18th decision to eliminate the \$10 Legal Tender denomination and confine the \$2 and \$5 notes to Legal Tenders was being delayed pending a legal opinion from Treasury's internal Legal Sub-committee on whether \$2 and \$5 Silver Certificates could be entirely discontinued within current laws.

BEP Delivers the Series 1923 \$10 Legal Tenders

While the Currency Board was planning the demise of the \$10 Legal Tender note and awaiting the legal opinion, the pressing demands to maintain adequate currency in circulation continued. As January 1926 arrived, additional Legal Tender notes were needed to maintain the legally required U.S. note circulation of \$346,681,016. The BEP turned to its Series of 1923 Jackson notes. Between February 6th and February 20th 1926, the BEP delivered to the Treasurer serial numbers A1B to A696000B in \$10 Jackson notes. The February deliveries account for the entire issuance of the Fr-123 Legal Tender \$10 notes, including a small number of star replacement notes.

No further Series of 1923 Legal Tender \$10 notes were delivered. The December 1925 issue referred to the Legal Sub-committee was resolved, and the Board implemented the plan to eliminate certain currency types and denominations. Although the available Currency Board documents at the Archives made no further reference to the legal matter, I suspect the issue most likely concerned the provision of law (31 U.S.C. §406) that stated "Silver Certificates shall be issued only of denominations of \$10 and under" and whether that language per-

On This Date in Paper Money History -- Nov. 2009

By Fred Reed ©

Nov. 1

1781, Bank of North America organized; **1893**, John Christopher Schwab publishes "The Financier of the Confederate States" in *Yale Review*; **1909**, beginning of Vernon-McClung combined tenure as Register and Treasurer;

Nov. 2

1840, Glasgow (Scotland) Joint Stock Banking Co. 1-pound bears this date, the day before the bank opened for business; **1910**, BEP engraver G.F.C. Smillie completes Die no. 7795, a Lincoln portrait for the \$100 Postal bond coupon;

Nov. 3

1794, Congress passes Act providing for third payment on loan made of Bank of the United States; **1930**, Bank of Italy becomes Bank of America; **986**, "Banknotes in Musicland" by M. Bannon Bell and Monty Damiano copyrighted;

Nov. 4

1823, Eagle Bank of New Haven, CT, issues demand notes with engraved payee L. Dwight or R. Sherman; **1987**, article on Arthur M. Claflin's encased stamps is featured on front page of *Coin World*;

Nov. 5

1862, *Chicago Evening Journal* advertises to print "change checks" for customers; **1965**, Lester Merkin sells Arnold Perl's Colonial paper money;

Nov. 6

1924, Winston Churchill becomes British Chancellor of the Exchequer; **1966**, first \$1 FRNs delivered to Dallas and San Francisco Fed Banks;

Nov. 7

1789, Ohio state senator Alfred Kelley, who appears on state bank notes, born; **1912**, *Paper Money of the United States* author Robert L. Friedberg born; **1994**, *Scripophily: the Art of Finance* by Keith Hollender copyrighted;

Nov. 8

1872, Kidder National Gold Bank liquidated; **2000**, International Monetary Fund hosts forum "One World, One Currency: Destination or Delusion?";

Nov. 9

1873, CSA Stephen R. Mallory, who appears on some Confederate bonds, dies; **1950**, Treasury announces first delivery of Series 1950 \$5 FRNs;

Nov. 10

1759, German poet and playwright Friedrich von Schiller, honored on an East German 10-mark note, born; **1853**, Upham and Russell, Menasha WI issue "Change Tickets";

Nov. 11

1820, Encased stamp issuer Boston pharmacist Joseph Burnett born; **1869**, Treasury Secretary Robert Walker (FR 1308-1309) dies; **1990**, dealer Jerry Cohen dies;

Nov. 12

1864, *Richmond Examiner* reports CSA Treasury Secretary George Trenholm's finance report of Nov. 7th; **1987**, ABNCo ceremonial destruction of 1987 "Archives Series" plates;

Nov. 13

1864, Stephen Girard's Banking House converts to National Bank; **1865**, first Gold Certificates (FR 1166b-g) issued to settle gold balances between banks and clearing houses;

Nov. 14

1848, banknote engraver Benjamin Tanner dies; **1863**, editor of the *Living Age* requests United States Notes and not bank bills in payment for subscriptions;

Nov. 15

1923, Germany circulates 200-billion mark note; **1963**, Whitman Publishing Co. markets Confederate Currency Type Set Display Cards with narratives by B.M. Douglas and Brent Hughes;

Nov. 16

1864, John Wilkes Booth opens account at Jay Cooke & Co. Bank with \$1,500 deposit to fund what becomes the Lincoln assassination plot; **1914**, Federal Reserve Banks open for business;

Nov. 17

1932, SPMC member Robert Wagner born; **1986**, *Making Money* by Ed Rochette copyrighted; **1999**, European Central Bank sets rules for reproducing banknotes;

Nov. 18

1925, Currency Control Board considers discontinuing the \$10 U.S. Note because "there is no demand from the banks"; **1967**, British pound devalues to \$2.40 against the U.S. dollar;

Nov. 19

1882, Confederate currency collector John Wiley Aulick dies; **2003**, Hank Eskin creates his www.wheresgeorge.com website to track circulation of dollar bills;

Nov. 20

1806, earliest dated New Jersey bank note, a post note from the Trenton Banking Co.; **1811**, Tennessee charts Bank of the State of Tennessee at Knoxville;

Nov. 21

1872, NYT reports on counterfeit Union Pacific Railroad Bonds; **1941**, Treasury check forgery insurance fund set up; **2003**, SPMC Board approves a Founder's Award as Society's highest honor;

Nov. 22

1837, Treasury Secretary Franklin MacVeagh born; **1864**, CSA Senate confirms nomination of George A. Trenholm as Secretary of the Treasury;

Nov. 23

1864, CSA Treasury Secretary George A. Trenholm outlines exchange of old notes for new issue; **1972**, Harold Bowen, author of *State Bank Notes of Michigan*, dies; **1985**, first Orville Grady numismatic literature sale;

Nov. 24

1852, Treasury Secretary Walter Forward dies; **1868**, George W. Casilear patents printing numbers against fine line guilloche to foil tampering;

Nov. 25

1456, French currency subject and banker Jacques Coeurs dies; **1919**, longtime paper money dealer Art Kagin born; **1955**, Kagin's holds its 200th numismatic auction;

Nov. 26

1862, Secretary of War Edwin Stanton proposes to President Lincoln that Jeremiah Fenno be an Army paymaster; **1864**, Chief of National Currency Bureau S.M. Clark submits annual report;

Nov. 27

1806, Encased stamp issuer Detroit merchant Fred Buhl born; **1996**, Confederate Treasury in Danville by J. Frank Carroll published;

Nov. 28

1717, New York Colonial Currency (FR NY39-49) bears this date; **917**, Approval of First Liberty Loan of 1917 Converted coupon bond design with Burt image of Abraham Lincoln;

Nov. 29

1897, BEP engraver G.F.C. Smillie completes Die no. 4441, the Lincoln portrait for the Series 1899 \$1 Silver Certificate; **983**, Last delivery of Series 1977 \$100 FRN;

Nov. 30

1866, government holds \$340,338,650 in securities for circulating notes; **1867**, Assistant Treasury Secretary William E. Chandler leaves office the ANA convention; ♦



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mitted the discontinuance of \$2 and \$5 Silver Certificates. The Legal Sub-committee's apparent conclusion was that the Secretary of the Treasury had the discretion to decide what Silver Certificate denominations would be issued, as long as they were \$10 or less.

With no legal objections to the Currency Board's recommendations, the Board's plan to restrict types and denominations was put into effect. By August 12, 1926, Collins reported that \$10 Legal Tenders in circulation had declined by over \$31 million due to the redemption of the \$10 notes without replacement. U.S. Note circulation was maintained by an increase in the issuance of the \$5 Legal Tenders.

Conclusion

The short-lived \$10 Jackson Legal Tender notes owe their existence to a design modernization plan implemented in 1923. They owe their demise to the fact the 1923 plan fell short in two areas: (1) it did not address Treasury's great desire to reduce the overall size of the currency, and (2) it did not go far enough in reducing the myriad of competing currency types and denominations in use. The Currency Board's efforts to pursue additional streamlining resulted in the recommendation to end the \$10 Legal Tender notes.

Four new designs made it into circulation: the new one dollar Legal Tender and Silver Certificate Washington designs, the Lincoln Porthole \$5 Silver Certificate, and the Jackson \$10 note. Additional Series 1923 prototypes were developed, but never saw production [Hessler, 1979]. Specific to the Jackson \$10 design, the Smithsonian has a BEP model for a Series of 1923 Jackson \$10 in Gold Certificate form, but the model went unused.

By 1926-27, Treasury was planning the more dramatic currency overhaul that soon ushered in the era of small size notes. Jackson's portrait was moved to the \$20 design and, despite the preparation of dies and production plates for small size \$10 and \$20 Legal Tender notes in late December 1932 and January 1933 [Hessler, 2nd Ed., pp 49-50; certified proofs from the plates are in the Smithsonian, compartment 16:3], there is no record of their production. The Currency Board's decision rendered the Series of 1923 \$10 Legal Tender a limited issue and the last of its kind.

Appreciation is due to Doug Murray for supplying BEP delivery dates for the Series of 1923 Legal Tender notes, to Peter Huntton for information on the certified proofs, and to James Hughes of the Smithsonian for information on Series of 1923 and 1928 designs.

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On This Date in Paper Money History -- Dec. 2009

By Fred Reed ©

Dec. 1

1852, BEP Director Claude Johnson born; **1862**, Lincoln's message to Congress asks for implementation of a national banking act; **1862** Shenandoah County, VA Sheriff B.F. Murray issues small change notes;

Dec. 2

1862, CSA notes fifth issue; **1932**, Barney Bluestone anonymously auctions Robert H. Lloyd coin and paper currency collections as "Western New York Consignment";

Dec. 3

1826, Union general George B. McClellan, who appears on obsolete notes of New England, born; **1969**, first day of issue for Scott 1386 a 6-cent commem stamp honoring *tromp l'oeil* currency illusionist William Michael Harnett;

Dec. 4

1935, Treasury Secretary Paul O'Neill born; **1997**, 500th Stack's numismatic auction; **2007**, Krause Publications announces addition of paper money listings to its NumisMaster online pricing service;

Dec. 5

1782, President Martin Van Buren, who appears on obsolete notes, born; **1842**, Bank of Louisiana resumes specie payments; **1861**, Georgia authorizes \$2.5 million in state treasury notes;

Dec. 6

1769, Due to "great distress" in the Colony, New Jersey's Assembly authorizes 125,000 pounds in bills of credit; **1864**, Treasury Secretary Salmon P. Chase (FR 16-17) appointed Chief Justice of U.S.;

Dec. 7

1808, Treasury Secretary Hugh McCulloch (FR 639-663a) born; **1872**, First National Bank chartered in South Dakota (FNB Yankton #2068);

Dec. 8

1727, Royal Bank of Scotland issues its first banknotes; **1862**, City of Atlantic City, NJ issues municipal scrip for five-cents; **1939**, researcher-writer Bob Julian born;

Dec. 9

1861, Treasury Secretary Salmon P. Chase sends his annual finance report to Congress; **1948**, allegorical artist Alonzo Foringer on whose paintings many bank note vignettes relied dies;

Dec. 10

1864, CSA government posts notice in *Richmond Enquirer* advertising for Federal greenbacks; **1979**, *Paper Money* mailing list transferred from Stowell Printing Co. to the Camden Company;

Dec. 11

1865, *Brooklyn Daily Eagle* reports 2 percent of all fractional currency received at Treasury Department from "bankers and others deemed experts in judging money" is counterfeit; **1948**, Bank of Taiwan issues 10,000 dollar banknote;

Dec. 12

1791, First Bank of the United States opens its doors for business as the government's fiscal agent; **1942**, U.S. Treasury begins issuing stockpiled Series 1929 Federal Reserve Bank Notes to alleviate currency shortages;

Dec. 13

1796, earliest extant dated check bearing \$ dollar sign; **1972**, worldwide paper money authority Dr. Arnold Keller dies;

Dec. 14

1790, Treasury Secretary Hamilton argues that Bank of the United States is Constitutional in report to Congress; **1837**, Republic of Texas authorizes \$1, \$2 and \$3 change bills;

Dec. 15

1793, Abraham Lincoln's economic mentor, Philadelphia economist Henry Charles Carey born; **1886**, first million share day on New York Stock Exchange;

Dec. 16

1790, Patrick Henry opposes a national bank for the United States as being unconstitutional; **1918**, Carter Glass becomes Treasury Secretary;

Dec. 17

1852, *Brooklyn Daily Eagle* publishes W.L. Ormsby's description of genuine bank note company plates employed by counterfeiters; **1878**, paper money reaches par with specie in the U.S., gold coins return to circulation;

Dec. 18

1816, banknote engraver Jacob Perkins and Thomas Gilpin patent watermarked paper; **1863**, first National Bank organized in Louisiana (FNB New Orleans #162); **2000**, New HK\$1000 Hongkong and Shanghai Banking Corp. Ltd. note released;

Dec. 19

1831, Encased stamp inventor John Gault born; **1911**, CSA Treasury and currency scholar Raphael P. Thian dies; **1930**, last delivery of Series 1928 \$5 USN;

Dec. 20

1783, New Jersey issues 31,260 pounds in bills of credit to meet contingent expenses of the government; **1862**, encased stamp issuer Hopkinton, MA merchant Arthur M. Claflin issues scrip;

Dec. 21

1863, first examination of a National Bank performed; **1920**, Rochester, NY Numismatic Association holds its 200th meeting;

Dec. 22

1696, colonizer James Edward Oglethorpe, who appears on obsolete notes, born; **1758**, North Carolina Colonial Currency (FR NC98-100) bears this date;

Dec. 23

1785, paper money and U.S. Mint Chief Engraver Christian Gobrecht born; **1857**, Congress authorizes interest-bearing treasury notes; **1945**, first ANA Secretary Charles Tatman dies;

Dec. 24

1772, Continental Currency printer David Hall dies; **1776**, U.S. Treasurer authorized to hire currency signers; **1838**, Bank of Louisiana resumes specie payments;

Dec. 25

1862, Revenue Act permits use of postage stamps to pay document taxes; **1911**, currency subject Dr. Sun Yat-Sen elected provisional president of Republic of China;

Dec. 26

1782, printer David Hall delivers 100 sheets of Continental loan certificates to Superintendent of Finance Robert Morris; **1928**, SPMC member Joseph B. Noll born;

Dec. 27

1878, American Bank Note Co. consolidates National BNCo and Continental BNCo; **2007**, Cleveland Fed bank exhibit "Questionable Issue: Currency of the Holocaust" closes;

Dec. 28

1856, President Woodrow Wilson, who appears on Series 1934 \$100,000 Gold Certificate (FR 2413), born; **1898**, President McKinley proclaims that U.S. currency will circulate in Puerto Rico on Jan. 1st;

Dec. 29

1862, Hanover, IL merchant H.A. Hallerman issues scrip "under the law of necessity"; **1969**, Korean MPC Coupons Series 1 issued to Korean troops in Vietnam;

Dec. 30

1829, Senate resolves to study uniform national currency; **1865**, BEP Director Louis A. Hill born; **1910**, Fractional Currency collector/author Thomas Cunningham dies;

Dec. 31

1783, New Jersey Colonial Currency (FR NJ152-160) bears this date; **1863**, U.S. Marshals arrest Winthrop E. Hilton in New York City for manufacturing Confederate Treasury Notes and bonds;

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- Dewey, Charles S. Assistant Secretary, Department of the Treasury, Letter to Alvin W. Hall, Director, Bureau of Engraving and Printing, February 21, 1925 [Currency Board Policies, Production of Series of 1923 Notes, Elimination of Duplicative Currency Types and Denominations, Status of Incomplete Plates].
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- Hill, Louis. Director, Bureau of Engraving and Printing, Letter to William S. Broughton, Commissioner of the Public Debt, December 3, 1923. [Reply, indicating agreement, regarding November 24, 1923 letter recommending changes in seal colors for Series of 1923 currency]. Records of the Bureau of the Public Debt, Record Group 53; Entry 53-87-101; 53/450/54/01/06, Box 11, unnumbered file labeled Currency Designs. National Archives and Records Administration, Archives II, College Park, MD. ♦

PNG, ANA & NLG Honor SPMC Members

THE PROFESSIONAL NUMISMATISTS GUILD HONORED VETERAN SPMC MEMBERS John N. Rowe III (**far right**, SPMC #306) and Harlan White (**below**, SPMC #9756) with its coveted "Lifetime Achievement Award" at the group's August 4th conclave in Los Angeles during the recent American Numismatic Association summer convention.

The PNG is a nonprofit trade association composed of the country's top rare coin and paper money dealers who must adhere to a strict Code of Ethics in the buying and selling of numismatic merchandise.

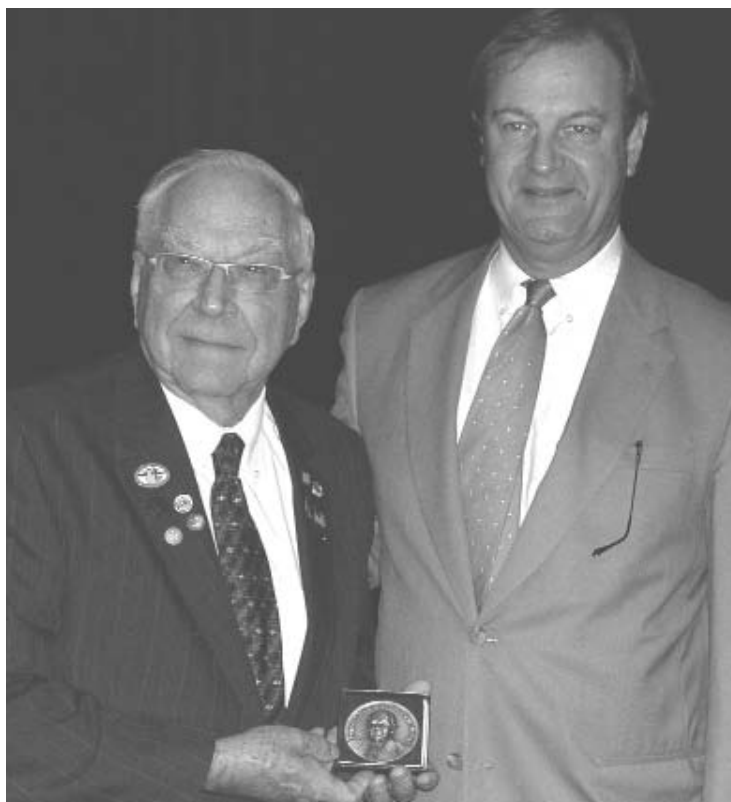
The award presented to Rowe and White recognizes their decades of significant contributions to the hobby or profession and devotion to numismatics. "John Rowe attended his first coin show in 1952, and has been a PNG member since 1962. He has mentored some of the profession's top dealers since they were teenagers, such as Steve Ivy and Kevin Lipton," said former PNG President Jeff Garrett who chaired the Lifetime Achievement Award committee. "Harlan White became a PNG member in 1966, and has graciously helped many collectors and dealers and actively promoted numismatics for many years including service on the PNG Board for ten years," said Garrett.

The American Numismatic Association presented The Burnett Anderson Memorial Award for Excellence in Numismatic Writing to longtime SPMC promoter Chester L. Krause, founder of Krause Publications, publisher of *Numismatic News*, *Bank Note Reporter*, *World Coin News*, *Coins* magazine, a host of additional hobby periodicals, and a bookshelf full of reference books many under the well-deserved title *Standard Catalog of . . .* Krause is Honorary Life Member #18 of SPMC. A founder of the Society, Krause's original membership number was #9. The Burnett Anderson Memorial Award honors the many accomplishments of the late Washington, D.C. numismatic correspondent, who was the father of current SPMC President Mark Anderson. The junior Anderson presented Krause his award during the ANA banquet in Los Angeles, **shown at right**.

Past SPMC and ANA President John Wilson (SPMC Life Member #127), and his wife, SPMC Life Member Nancy (#140) each received the ANA's Member Booster Award during the convention. The Wilsons are prolific authors and exhibitors well known to many *Paper Money* readers.

SPMC member Phil Iversen (SPMC #6316) was a multiple ANA Exhibit Award honoree at the show. Among Iversen's laurels were 2nd place in Exhibit Class 2: United States Fiscal Paper, Sidney W. Smith/William Donlon Memorial Award, for "Huntington Hotel Depression Scrip;" 2nd place in Class 5: Tokens, B.P. Wright Memorial Award, for "A Set of Bingle Tokens;" and 3rd place in Class 15: Gold Coins, Gaston DiBello/Melvin and Leona Kohl Memorial Award, for "Portrait of a Princess."

SPMC member Nancy Wilson also garnered 2nd place exhibit award in Class 11: Numismatics of the Americas, Henry Christensen/John Jay Pittman Sr. Memorial



Award, for her "Ecuador Specimen Set - Series of 1928."

Once again ANA honored *Paper Money* in its top publications contest. The SPMC journal took second place in the Specialty Clubs category (see award on page 465). SPMC congratulates all the authors who made this possible.

ANA Literary award recipients, who are members of SPMC, included: Carlton "Fred" Schwan (SPMC LM #317, 3rd place Heath Literary Award for "The Music of Money," a feature story about former SPMC Editor and professional musician Gene Hessler, which appeared in the July 2008 issue of *The Numismatist*. Schwan's award was a medal.

Paper Money Editor Fred Reed (SPMC #4912) received the Catherine Sheehan Literary Award for U.S. Paper Money Studies and an honorarium of \$50, funded by an anonymous donor. Reed's article "A Very Brady Bank Note," which appeared in the February 2008 issue of *The Numismatist*, explained how a contemporary beardless photograph of Abraham Lincoln was adapted for a \$5 bill of the Bank of Winsted, CT.

SPMC member Joseph Lasser (SPMC Life Member #23) and a non-SPMC member shared the second place honors in the Sheehan contest for their article, "Worn, Torn & Soiled," appearing in the September 2008 issue, which described tattered and mended notes from America's colonial era.

Several SPMC members were honored by the Numismatic Literary Guild, which hosts an annual "Bash" during the ANA summer conventions. The NLG Book of the Year -- for the work having the greatest potential impact on numismatics -- was awarded to *Abraham Lincoln: The Image of His Greatness*, by Fred Reed (Whitman, 2009). This is the first Whitman-published book to receive the NLG Book of the Year Award, according to spokesman David Crenshaw.

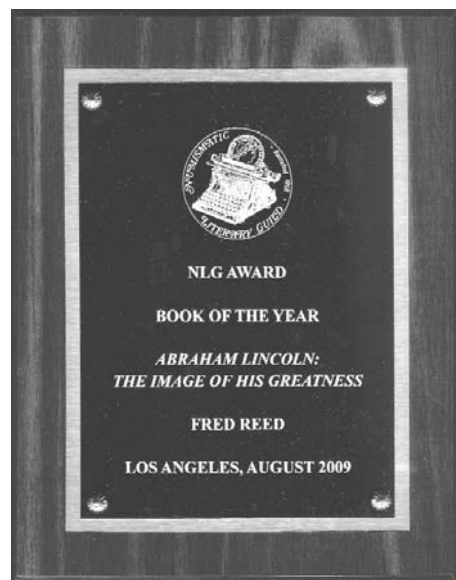
Prolific author Q. David Bowers (SPMC #780) received the Best Specialized Book Award in United States Coins for the *Whitman Encyclopedia of Colonial and Early American Coins* (Whitman, 2009).

The Best Specialized Book in U.S. Paper Money Award honored Eric P. Newman (SPMC Honorary Life Member #13) for his *The Early Paper Money of America*, 5th ed. (Krause Publications, 2009).

The award for Best Specialized book in World Paper Money was presented to SPMC member George S. Cuhaj (SPMC #10939) for editing the *Standard Catalog of World Paper Money, General Issues*, 12th ed. (Krause Publications, 2008).

NLG Extraordinary Merit book awards were presented to Pierre Fricke (SPMC #10429) for *Collecting Confederate Paper Money, Field Edition* (Spink-Smythe, 2008), *Kansas Paper Money: an Illustrated History 1854-1935*, by Steve Whitfield (SPMC LM #249, edited by Fred Reed (McFarland, 2008), *The Fantastic 1804 Dollar, Tribute Edition*, by Eric P. Newman and Kenneth E. Bressett, and a pair of Bowers' titles, *Grading Coins by Photographs* (Whitman, 2008), and *The Treasure Ship S.S. New York* (Stack's, 2008).

In the NLG category for articles published in non-profit or club numismatic publications, the Best Article in Large Publications award went to Fred Reed for "Lincoln Bicentennial: Portrait of a President," about Charles Burt's engraving on \$10 Demand Notes and Legal Tender Notes that made Lincoln known to his fellow countrymen and nations abroad, which appeared in the February 2009 issue of *The Numismatist*.



Voted Best Column in Small Publications was SPMC member David Gladfelter's (SPMC Life Member #179) "Exonumia From Your Neighborhood," published in *Jerseyana*, the quarterly newsletter of the New Jersey Exonumia Society.

An Extraordinary Merit Award in Club Publications honored SPMC Member Kathy Lawrence (SPMC #10468) for editing the *TNA Youth Newsletter*, published by the Texas Numismatic Association, September 2008.

Among Numismatic Newspapers, the award for Best Article or Series of Articles on Paper Money honored Lee Lofthus (SPMC Life Member #278) for "Redemption Errors," published in *Bank Note Reporter*.

Best Column among Numismatic Newspapers was "Shades of the Blue and Grey," by Fred Reed on counterfeiting of Legal Tender Notes during and following the U.S. Civil War, also published in *Bank Note Reporter*.

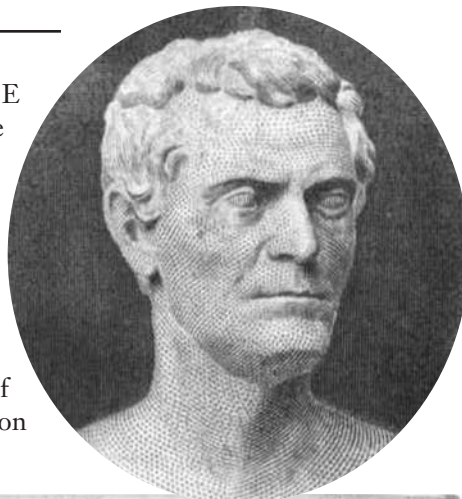
Best Radio Report was David Harper's Coin Chat Radio's "Collecting Money," and Best Commercial Video was Heritage Auctions "the 1804 Class III Silver Dollar," produced by David Lisot.

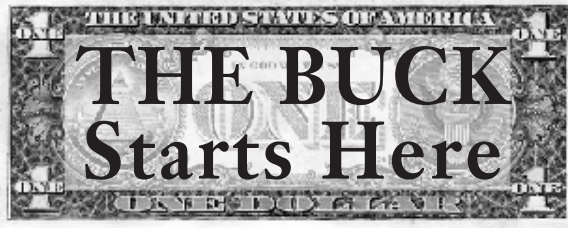
SPMC member dealers were honored for websites. Heritage Auctions won the Best Dealer Web Site Award, and Krause Publications the Best Trade Press Web Site. Heritage Live software and The Coin and Currency Institute's "Gold Coins of the World: From Ancient Times to the Present," by Arthur L. and Ira S. Friedberg tied for best software.

Dealer members also received recognition for various auction catalogs, including Heritage Auctions for "The Lemus Collection, Queller Family Collection – Part Two," Stack's for "The John W. Adams Collection," and Holabird-Kagin Americana for "Bill Weber So-Called Dollars." ♦

Who am I?

AWHILE AGO, A LONG, LONG WHILE IF TRUTH BE told, SPMC member Marvin D. Ashmore sent in the Lafayette Bank draft made by American Bank Note Co., New York & Cincinnati, which appears below. Marvin wondered who the individual depicted as the bust was. He figured that SPMC members being knowledgeable would know. Unfortunately, the request got placed in a "futures" file for about four years. Mr. Ashmore may have long since discovered who the Romanesque bust is, but ye olde Editor is still perplexed. I take it that the Washington Irving-type at left is an older Lafayette since it is the spitting image of Matthew Harris' 1825 portrait of the gentleman. But the question persists, who is the figure at right? Anybody out there know?





A Primer for Collectors BY GENE HESSLER

Darley's *The War Alarm* shows up on a TV episode

The History Channel, in my opinion, continues to be one of the best television channels to watch. Toward the end of 1998 Sam Waterston, host of *Time/Lab 2000*, a two-minute, or less, history lesson that accompanied or replaced a commercial caught my attention one evening. On the screen I saw *The War Alarm*, a security engraving by F.O.C. Darley (1822-1888) as Mr. Waterston spoke of a Revolutionary War hero named Israel Bissel, a name unfamiliar to me.

After searching through about ten books at the library that chronicled the American Revolution I found what I was looking for in *People & Events of the American Revolution* (R.R. Bowker Co., 1974).

Paul Revere is known to every American for his midnight ride from Boston to Lexington to alert the Minutemen. He was unable to complete the second part of his journey. On April 18, 1775, Paul Revere and William Dawes rode toward Concord to alert the people of a British attack; Dr. Samuel Prescott joined them after midnight. Early the following day Revere was captured by the British and with Dawes returned to Lexington. Dr. Prescott was able to get the message to the Concord militia; they were then able to prepare for the attack.

On that same day, April 19, Colonel Joseph Palmer of the Braintree Committee of Safety, entrusted a message of alert to Israel Bissel, the best of the Massachusetts postriders. From Watertown, Massachusetts, Bissel raced to Worcester with the news of the skirmish at Lexington. His ride took only two

hours.

After giving his message to General Israel Putnam near Pomfret, Connecticut, Bissel rode on to New London, New Haven, New York, Trenton and Philadelphia. The number of horses at his disposal has not been recorded. On April 20 General Putnam rode from Concord to Connecticut, 100 miles in 18 hours.

Perhaps the name of F.O.C. Darley is unfamiliar to some. In Philadelphia, later in his studio at Twelfth St. in New York City, and later still for Toppan, Carpenter & Co. and ultimately for American Bank Note Company, Darley, more than any other artist, made drawings, paintings and engravings that visually recorded the history of our country, especially the Revolutionary and Civil Wars.

Some of his subjects include: the *Landing of the Pilgrims*, *Parting Words*, *Patriots at War*, *Saying Goodbye*, *News from Home*, *Washington at Trenton*, *Volunteers Departure* and *To Arms*. All can be found on U.S. obsolete and federal paper money.

Without knowing it you have probably seen Darley's artistry elsewhere. He illustrated the works of James Fenimore Cooper, Charles Dickens, Washington Irving, Harriet Beecher Stowe and Henry W.

Longfellow. Darley also created illustrations for Appelton's and Harper's.

He was recognized in Europe when he exhibited his paintings at the Paris Exposition in 1866. In that same year Darley had gone to Europe to study work of 16th, 17th and 18th century painters. To accomplish this he visited Belgium, England, France, Germany and Italy.

Initially Darley was self-taught.

Nevertheless, in 1852 he was elected a Professional Honorary Member of the National Academy of Design in New York; two years later he was accepted as an Academician.

The history of paper money would not be the same without the work of F.O.C. Darley. For years I have seen and admired Darley's engraving of *The War Alarm*. We don't know if Darley had Israel Bissel in mind when he executed this piece of art. Nevertheless, it conveys the story, and I learned about it on the History Channel.

(Reprinted with permission from *Coin World*

July 26, 1999)



Yesteryear in SPMC history

by Fred Reed

SPMC'S "PAPER MONEY PAGE" debuted in the weekly numismatic tabloid *Coin World* in that publication's Dec. 6, 1963, issue. This was an official, authorized SPMC function, and followed a similar arrangement *Coin World* had set up in 1961 with the Token and Medal Society, which also sponsored a monthly page. SPMC's activities were featured, garnering the Society much-needed publicity and enrollment of members in its early years. The relationship was symbiotic. It also proved beneficial for the publication and its readers, who were exposed to paper money information and feature articles by prominent SPMC members such as Fred Marckhoff (SPMC #47), Philip Chase (SPMC #79), and others.

In the publication's Jan. 10, 1964, issue SPMC Charter Member #133 Nathan Goldstein's column "Paper Money Periscope" debuted. Nate's column centered on current issue Federal Reserve Notes and new discoveries in small size U.S. paper money generally. By the July 22nd 1964 issue, Nate announced he had consolidated contacts in each of the 12 Federal Reserve Districts to exchange new notes with one another as they were issued. In that same issue, Nate announced that requests for information on the Society were "flooding in." Nate's promotion of the Society in his *Coin World* column raked in hundreds of new members, earning him several SPMC recruiting awards in 1965, 1966, 1970 and possibly in the intervening years too (records are fragmentary). In 2002 the Society named its annual recruiting award in his honor.

Goldstein wasn't the only Society member touting SPMC in the pages of *Coin World*. In a Feb. 3, 1971, feature story, SPMC member David Hakes' article discussed the many benefits of SPMC membership. The result was an incredible 120 new members for the Society. Hakes won the recruiting award that year and the next five years too for his diligence in touting SPMC.

The article shown at left from *Coin World's* Sept. 9, 1964, issue reports on SPMC activities at the annual ANA summer convention held in Cleveland that year. You'll note the acronym for the Society (SOPMC) in the headline. In the early years of the Society, members puzzled over a short hand moniker for The Society of Paper Money Collectors. It took action by the Board Aug. 27, 1965, to approve and standardize the currently accepted title SPMC in favor of SOPMC.

Another feature that you'll note is that *Paper Money* literary award winners Forrest Daniel and Ernest S. Craighead won gold coins, which had been donated by Washington, D.C. dealer Ben Douglas. Douglas continued his generosity the following year. Also notice that the Society had been recently incorporated as a non-profit organization, J. Roy Pennell had replaced George Wait as Society Secretary, and several new members had been elected to the Board. ♦

over 8,000 million rubles, which Great Britain undertook to underwrite. Seven per cent of this

United States also furnished mil-
(Continued on Page 68)



September 9, 1964

Daniels, Craighead Win SOPMC Literary Awards

Forrest W. Daniels and Ernest S. Craighead received awards during the third annual meeting of the Society of Paper Money Collectors held in connection with the annual Convention of the American Numismatic Association in Cleveland.

The awards were presented to the two men for their excellent article which appeared in the society's quarterly magazine "Paper Money."

Daniels was awarded a \$10 gold piece for his article "National Currency Notes of New Mexico and Arizona," and Craighead won with his article on "Private Issues of the Civil War Period." S.O.P.M.C. President Thomas C. Baines announced that Ben Douglas, Washington, D. C., donor of the awards, has agreed to continue them in 1965 to encourage writing for the magazine.

With a current membership of approximately 740, officers of the society feel that the 1,000 mark should be reached by the time the next annual meeting is held in Houston, Texas, next August.

In response to a query, Bain indicated that the society would encourage unofficial gatherings of members at the more import-

ant numismatic conventions other than the A.N.A. event. Definite plans for a "get-together" have been made for the next Florida United Numismatists Convention, he said.

In Cleveland, immediately following the regular meeting, the S.O.P.M.C. board of governors took action to recognize the fact that this was the first meeting as a nonprofit organization, incorporated in June, 1964.

The resignation of board member, former president and former editor of the magazine, Hank Bieciuk, was regrettably received and Paul Seitz was appointed to complete Bieciuk's term on the board.

George Wait, secretary, resigned that post because of business pressures, and he was replaced by J. Roy Pennell. Wait, in resigning, advised that he would still do everything in his power to advance the group.

Wait, William P. Donlon, Nathan Goldstein II, George D. Hattie, Morris H. Loewenstern and Glenn B. Smedley were elected to the S.O.P.M.C. board of directors replacing those whose terms had expired.

The President's Column



Dear Fellow Paper Money Lovers:

August was perhaps a quiet month for some of our SPMC brethren, hopefully filled with some vacation time, or a few lazy summer days for pleasant family events, maybe a ball game or fishing, and all-American nourishment in the form of hot dogs and s'mores. However, if you were looking for paper money doings in August, between the American Numismatic Association's annual convention in downtown Los Angeles and a very special event in Okoboji, Iowa, there were plenty of happenings.

The American Numismatic Association has a dizzying array of activities and there is always excellent press coverage of same, so there is no reason for me to spend readers of *Paper Money's* time on any general reportage. However, I do want our members to know that we held a well attended membership meeting, with several of our Board members on hand. Our own Wendell Wolka did a super job, as always, with a presentation on the obsolete notes of Cincinnati. However, as Wendell pointed out, the story was not so much about Cincinnati itself, but rather, telling a tale typical of so many of our communities and their growth in the 1850s, supported by the evidence – issues of paper currency we have been lucky enough to be left with today. As a New York friend has said – “Collecting is not a pursuit unto itself. These objects we pursue are simply the props with which we tell the story of history.”

Just a few scant days after the cross-country flight home, I found myself again on the way to the Midwest, this time, on my way to Mecca [or what certainly seems like it to this Nationals enthusiast]. This was my second visit to the Higgins Museum of National Banking, and it was no less wonderful than the first. While much has been made over the years of the Museum's somewhat out-of-the-way location, I cannot overstate that going to this little jewel is absolutely worth the travel time and effort. It seems like big planes don't fly to Okoboji, Iowa [although they should], and even once you have landed in Sioux City or Sioux Falls or whatever nearby regional you find your way to, there is still a drive in America's heartland ahead of you. But it is a lovely one. Even our members who reside in Iowa agree, many of whom are loving administrators and supporters of the Museum's interests, there is no short trip to Okoboji.

As readers of this column two issues back are aware, the occasion was the second National Banking seminar held by the museum. Organized by the Board and staff of the museum, a comprehensive and stimulating full day program had been assembled for enthusiasts, and the event went off without a hitch. The opening reception on Wednesday evening was held on the Museum's premises and allowed the Museum's staff and board members to meet and greet the assembling guests, while allowing everybody to wander freely around the facility.

The museum, which is architecturally best described as having six “wings” opening onto a central hub, is logically organized around several inter-related themes. On exhibit you

will find various approaches to banking security [several vaults, including a “bullet” vault, and a door removed from a full size walk-in vault], equipment used in the business of banking as practiced in the day, and of course, the numismatic exhibits. While the collection itself centers on the National Bank notes of Iowa and the surrounding states which Mr. Higgins collected, there is also a red seal collection from all 50 states, and several explanatory and support exhibits.

The Iowa collection is organized by county, and fills two of the wings, but the states adjoining Iowa are well represented, with two more wings filled with the issues of Minnesota and South Dakota and Nebraska and Missouri and Illinois. Even Wisconsin is becoming well represented, as the museum has added some lovely purchases made in last year's Krause sale. [It is a small historical quirk to the formation of the collection, but when William Higgins began collecting, he and Horace “Monty” Sherwin, a collector in Black River Falls, Wisconsin, agreed not to compete with each other for Wisconsin notes].

While the reception effectively included a light dinner, the vast majority of the assembled adjourned to a lovely lake-side dinner after the opening gathering. Official business opened up Thursday morning after coffee and breakfast at the museum, and throughout the day, excellent presentations were made by Don Kelly, Jim Hughes, Allen Mincho and James C. Ehrhardt and Steven J. Sweeney.

Don's presentation focused on survival rates for Nationals, and, based on outstandings in 1910 and other factors [town location and denominations issued], what issues might be statistically expected to surface in the future.

Jim, the associate curator of the Smithsonian National Numismatic Collection, spoke about the process by which the vast group of the BEP's archives has been organized, with the help of Peter Huntoon and other members, and he brought, to the crowd's delight, photocopies of sheets from the Midwest states, many of which represent the unreported banks for those states.

Allen spoke of his initial foray into collecting Nationals, his evolution to a dealer and the pattern of development of the Nationals field over the last half century.

Jim and Steve, co-authors of the recently published *Iowa National Bank Notes*, spoke lovingly about their work, both from the standpoint of their approach and what they have learned, but also some of the individual pieces of history the work uncovered. Matters were wound up in timely fashion Thursday afternoon after an informal panel discussion and Q&A. While a golf event beckoned Friday and a local coin show was slated for Saturday for those who were able to stay, the Museum's event was over.

This event was sponsored by the Central States Numismatic Society, the Professional Currency Dealers Association, and your Society, with support also provided by *Bank Note Reporter*. It was an event I believe we should all be proud to have associated ourselves with, and while I hope the Board will always be judicious as to how we allocate what is effectively your money, I believe we should continue to support future events at the Museum and other events like it, as part of the key educational aspect of our charter as a not-for-profit.

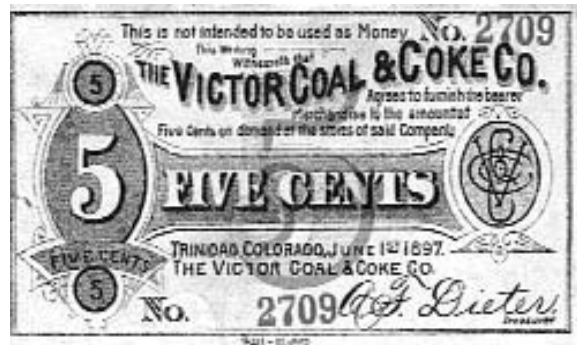
Cliff Mishler, a Higgins Museum board member and ANA president, emceed a well-organized and packed day of information, and he and his fellow board members should be

applauded and thanked. Likewise, the Higgins Museum staff, and particularly its curator Larry Adams, who worked tirelessly to accommodate a group of more than 50 guests. [For further information, or to plan a visit to the museum, Larry can be reached by calling 712-332-5859, or by e-mail to ladams@thehigginsmuseum.org].

It is difficult to imagine a more amiable and informative hobby experience for paper collectors. The vision of Bill Higgins and all the passionate who made this treasure happen for banknote collectors cannot be overstated. You do not need to be an Iowa specialist, a Midwest specialist, or a Nationals junkie to enjoy what his splendid institution offers. We as collectors are lucky to be collectors [as we well know already], but this museum and the seminar offered are serendipitous additions to our lives.

Now it is time to close for this issue, but as always, let me remind everyone that the Governors keep the value of the Society to our members at the forefront. We remain interested in hearing from our members on any topics as may interest and engage them. The Society is stepping up our efforts, via Judith Murphy's good offices, to add regional events and opportunities which allow our members to engage each other and the Society we all support. So, regardless of where you are and what you collect, it is always timely to hear what may be on your minds.

Mark



Cataloger seeks additional coal mine scrip for new book

SPMC MEMBER DAVID E. SCHENKMAN is compiling listings for a catalog of coal mine paper scrip of the United States. At this point it is estimated that the book will be about 100-125 pages in length, large format (8.5x11"), and will be profusely illustrated.

To date approximately 365 notes have been cataloged. Items such as punch cards, coupon books, etc. will not be included.

Collectors owning notes that are not listed in the standard references are urged to correspond with the author by mail at P.O. Box 366, Bryantown, MD 20617, or email dave@turtlehill-banjo.com



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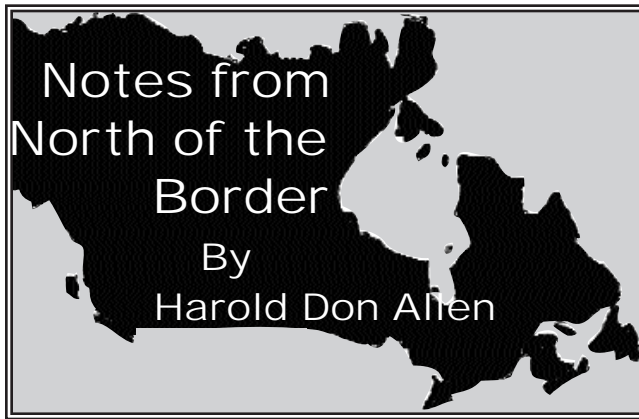
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New Money for Changing Times in UAE

THE UNITED ARAB EMIRATES (UAE), REFLECTING THE 1971 POLITICAL UNION OF SEVEN Middle Eastern (Gulf Coast) enclaves (“sand dunes” to derisive philatelists), is at this point a prodigiously evolving world nation, oil-propelled but with its priorities distinctly long-term oriented. From 1982, the UAE has had an established, generally sound, and numismatically challenging dirham currency: 1 dirham = 100 fils, some catalogue listings (as 1000) notwithstanding. The UAE currently shares with neighboring nations highly interesting monetary aspirations for years soon to come.

Think Euro-like multinational currency, a (new) common monetary unit with, say, Saudi Arabia, Bahrain, Kuwait, Oman, Qatar. I’ve been privileged to meet with monetary people in Abu Dhabi, at the UAE central bank, and there and through the English-language press in Dubai, to gain significant insights, although time-lines have been changing and specific countries have not been stipulated. The UAE government has been reported highly responsive to the idea.

This column was penned and dispatched several months ago, a logical follow-through to a second extended visit to the Emirates (and beyond), but has been succeeded by a flurry of further Emirati press clippings—we’ve family over there—and by enhanced realization of how cataloguers do have their work cut out for them, even listing new varieties and dates in a time of flux being anything but an easy job.



Above: Skyscrapers of Abu Dhabi, the United Arab Emirates capital city, as they appear on the central bank’s 1000 dirhams top value (close to \$300), from 1998. This 2006 printing is in current circulation. Below: Exotic architecture, Dubai style, the likeness of a dhow (traditional sailing ship), the *Sama’a* (on reverse), compares with this illustration of the unlikely Dubai Creek Golf and Yacht Club edifice.





Top and above: Passing years are reflected in design changes and security enhancements, as with this 50 dirhams medium value, issues of 1982 and 2006. Depicted is an oryx, an endangered species in the Gulf States. Note the conversion to MICR-style “western” digits, lower right, on the more recent release. Below: The Emirates’ workhorse denomination, the red 100 dirhams, depicts Al Fahidie Fort in Dubai.



For this columnist in his *Paper Money* relationship, “proofs” are received and checked at press time, a much appreciated editorial courtesy, and in this instance changes are anything but trivial. We do plan a major article on UAE and forerunner folding money, and related monetary issues, and museum visits in Dubai (Sheikh Saeed Al Maktoum House) and in Sharjah and Al Ain have been distinctly helpful. The fact that the much-sought monetary union, with its UAE participation, has been questioned in the headlines, such matters as the location (which country, which city?) of the proposed central bank, having been deemed non-negotiable, renders talk of final dirham issues and a new currency unit, somewhat premature. Some perspective on the monetary heritage of the highly historic trading area should offer useful perspective for collectors, if and when, as seems likely, some form of monetary union should succeed.

Paper money is of relatively recent origin in Arabian Gulf areas, though local and international coinage of intrinsic value dates from antiquity. Splendid exhibits of such items can be viewed in Dubai. An early form of folding money to gain acceptance was “Pilgrims’ Receipts,” specifically intended to serve for pilgrimages to Saudi Arabia. “Gulf Rupees,” color-differenced Indian rupees, were prepared specifically for Gulf States circulation. The 1960s saw riyal-denominated notes, relatively short-lived, with “Qatar & Dubai” designation. An UAE Currency Board, six-denomination “dirham” release, no longer redeemable (the Central Bank informs me), has a “camel caravan” unifying vignette, and extends to distinctly scarce values. Central Bank issues, all of which currently remain cashable, date from 1982.



Top: The UAE's lowest value of present-day folding money, the brown 5 dirhams, illustrates the central *souk* (marketplace) of Sharjah emirate. Still lower values, 1 dirham, 50 fils, and (less commonly) 25 fils, are base-metal coins, with price rounding a common practice. **Above:** A tough forerunner issue of Qatar & Dubai Currency Board, the low-value 1 ryal, depicts, as do higher denominations, local ship-pin, oil extraction, and desert palms.

Such current notes tend to be those most accessible—and most collected. The notes are distinctly attractive, especially when new or near-new, and over the years have undergone a sequence of anticounterfeiting and related enhancement. All eight present values, the 5 dirhams through 1000 dirhams, depict the Arabian falcon, the national bird of prey, the blue 500 dirhams featuring the bird most prominently. A smaller bird of prey (the sparrowhawk, I'm informed) is to be seen as the watermark and as a minor engraving. The 50 dirhams (think \$15 to \$20) depicts the Arabian oryx, a two-horned antelope (currently deemed endangered) which, if viewed sideways, resembles the unicorn, and indeed may have suggested or reinforced that fabled image.

Four note values (5, 10, 50, 100 dirhams) date from the establishment of the Central Bank, with the 500 dirhams having been added in 1983, the 200 dirhams in 1989, and the 20 and 1000 dirhams in 1998. The 200 dirhams, at one point essentially out of circulation, has recently been reintroduced in new colors, dated 2004. Most recently, the International Bank Note Society reports a new UAE 100 dirhams, the national arms on the face having been enhanced by a ring of seven stars, a likely allusion to the seven united emirates. Emirati notes, I have been informed at the Central Bank, are the work of two European security printers, which they decline to name. I would, however, expect the heraldic modification to appear in due course on other denominations.

Recent Central Bank releases carry what appears to be the date of production, AH on the essentially Arabic face, AD on the English back. Not all denominations are turned out in a given year, and minor surprises result from the fact that the two "years" do not, in general, coincide.

"One step closer to G[ulf] C[oooperation] C[ouncil] currency" ... "Monetary union officially delayed" ... "UAE pulls out of monetary union, Analysts predict the move will mean the end of unity plans." Such are news headlines which have been reaching me from Dubai. A united Gulf currency ... so near and yet so far, it would seem. (The country and city of the proposed new central bank building is at the heart of the dissention, it appears.)

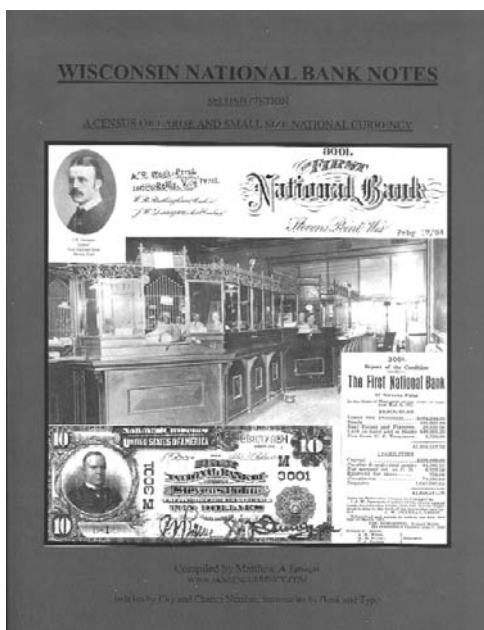
Of course, UAE notes and related memorabilia are and remain distinctly collectible, whether for a "one of each country" accumulation, or a detailed study of past, present, and possible futures.

We'll keep you informed ... but it is interesting that the future of this much-discussed multinational monetary unit is, temporarily or otherwise, more in doubt than it was even a few months back. ❖

SPMC authors pen new books on nationals

SPMC BOARD MEMBER MATT JATZEN HAS UPDATED and self-published his *Wisconsin National Bank Notes*, 2nd edition, featuring his census of large and small size National Currency from his home state.

Janzen's first edition won the 2008 SPMC George W. Wait Memorial Award for research on a paper money topic leading to a book length presentation. More than 11,500 documented Wisconsin nationals are listed in the new work, the result of 11 years labor. "With an estimated 17,000-20,000 Wisconsin bank notes speculated to exist, this book is not complete but an every-changing work in progress," according to its author.



Janzen's book leads off with a general introduction to early Wisconsin banking including legislation and note types, provided by contributor Tom Snyder. A color section illustrates Wisconsin type notes through the large and

small size national note-issuing era. The author then provides a listing of Wisconsin national banks by municipality, charter number and county, and index of entries in the volume.

A listing of known uncut sheets precedes the main portion of the text which enumerates the issues of the respective banks and extant notes known to collectors in charter number order from the First National Bank of Milwaukee (charter #64) through the First National Bank of Neillville (charter #14200).

Charts for each bank provide sheet configurations, serial numbers, notes printed and known to be existing chronologically by Charter Period and denomination. General data also aggregates totals for each bank. Illustrations of many notes, bank stationery, checks, and post cards round out the presentation. Charts are clear as are illustrations.

Based on Janzen's data, it is believed that 57 Original Issue First Charter Wisconsin nationals exist, but no \$100 note has been confirmed. Furthermore, 165 Series 1875 nationals are known, but again no \$100 note. Known Second Charter Brown Backs total 412 examples; existing 2nd Charter Date Backs 220 specimens, and only 113 extant 2nd Charter Value Backs are known to the author and his contributors.

Third Charter Red Seals known are 132; 3rd Charter Date Backs, 579; 3rd Charter Plain Backs, 2,454, according to the Janzen census. Among small size Wisconsin nationals, 6,493 Type Is and 882 Type IIs are known.

The 280-page, 8½ by 11 inch, soft cover book retails for \$50. It is also available with a CD. Price for both the book and the CD is \$75. Contact www.janzencurrency.com.

Tomball, Texas, SPMC member Jim Millard has released his new *Oregon National Currency, Images, Signatures, Statistics*, providing a comprehensive treatment of the note-issuing national banks in that western state. Oregon is one of five states the author collects and has assembled information on. A similar work on Washington is now in preparation, according to Millard. He is also working on Idaho.

The book "started off just being [an] indefinite listing of my interpretation of the signatures of the cashiers & presidents that . . . I have run across in my collecting days," he states. Later research in Dun & Bradstreet and Moody's, as well as mercantile directories, banking guides, and information from other hobbyists filled out his listings.

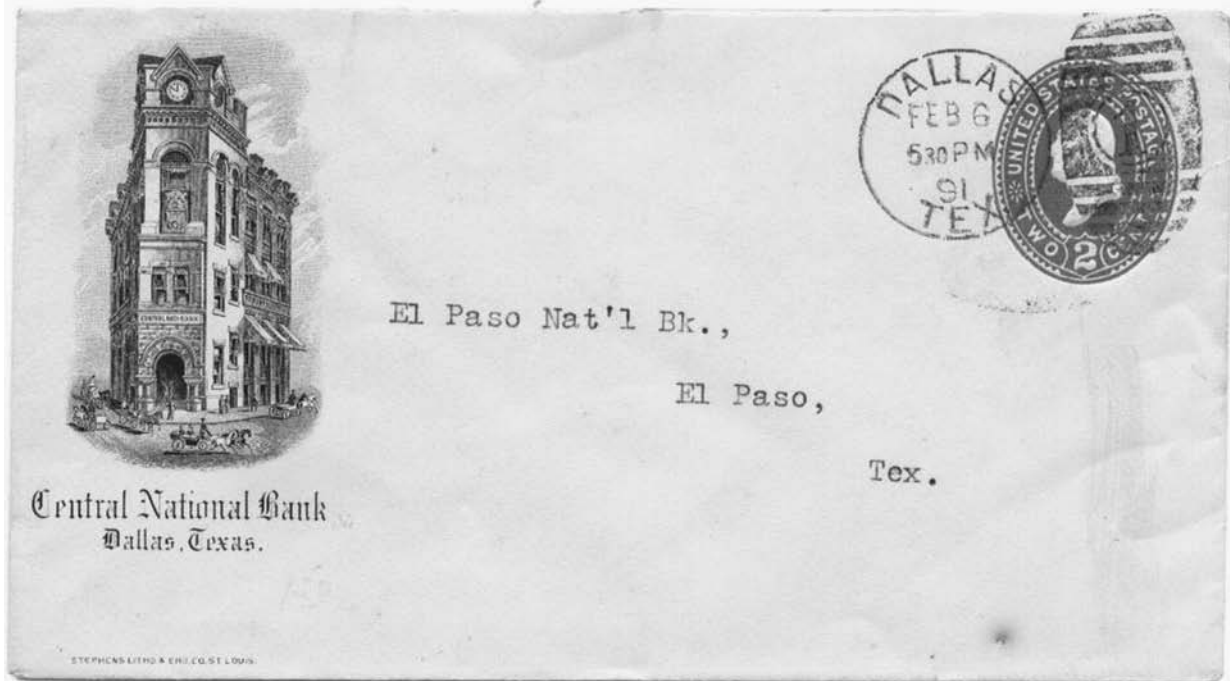
After a summary of his methodology, the author provides an alphabetical listing of the state's banks from Oregon's first national bank to receive notes The First National Bank of Portland (charter #1553) to the last, the First National Bank of Condon (charter #14241).

Millard also provides a listing of number 1 serial number notes, a comparison of rarities vs. pricing, an explanation of pricing criteria, and a listing of notes for which he has illustrations by bank/series and those for which he still needs to find illustrations. A short section provides vignettes of some oddities among the state's chartered banks (for example shortest time in business, or banks issuing but one denomination).

The meat of the work is the author's bank listings, which helpfully provide maps so a reader can orient the bank's location. He provides note issue data, numbers known, including in many cases note serial number listings. He provides signature information, and color illustrations of many notes. He also provides comparative data on other banks from the city, and what happened to the bank if it went out of business. A listing of 19 Oregon National Banks which did not issue notes, and illustrations of various checks and postcards rounds out the volume.

The 200-page book is comb bound, 8½ by 11 inches. A color print edition is available for \$79.95, or black and white for \$65.95, with discounts for purchase of either version in multiples. Contact gymbillard@yahoo.com. -- Fred Reed ♦





About Nationals Mostly By Frank Clark



Remembering the Central National Bank of Dallas



THERE ARE ALWAYS SOME BANKS IN large cities that escaped having their notes captured by numismatists. For Dallas, one of the banks in this category is the Central National Bank, charter #4127. It received its charter on September 25, 1889, and was liquidated on August 3, 1893.

This bank only issued 462 sheets of \$50-100 Brownbacks, and in 1910 there was only \$400 outstanding. Certainly, a capstone note for a lucky collector if one on this bank ever showed up.

Therefore, I was very pleased to come across at a stamp show one day this cover on the Central National Bank. It was cancelled on February 6, 1891. What made it even better, was the vignette of the bank building. The building has a distinctive shape, being thin with the appearance of splayed sides. The scene pictured gives a snapshot of a busy day at this bank's doorstep.

As a footnote, we have the El Paso National Bank to thank for saving its correspondence for many years, and then releasing the accumulation to the philatelic community at some point. Many of the covers found on Texas banks were addressed to that financial institution.

This bank is unreported by Kelly, Gengerke and Track & Price. The Central also eluded famed Texas collector William A. Philpott. ♦

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Odd and Obsolete: South Bend Banknotes

by Bob Schreiner

WHILE BACK I OBTAINED AN OBSOLETE banknote from my hometown, South Bend, Indiana, shown in **Figures 1 and 2**. The Bank of the State of Indiana had branches in several Indiana communities, including South Bend.

The standard catalog of *Indiana Obsolete Notes and Scrip*, by Wendell Wolka, Jack Vorhies, and Donald Schramm (SPMC 1978), didn't list a surviving example from South Bend, but records indicated there was a branch there.

The dealer I bought the note from, a man of considerable experience and knowledge, believes it to be a genuine note, as compared to a contemporary counterfeit. Counterfeits often survive in greater numbers because genuine notes of honest banks (and this one was) were usually redeemed and destroyed.



Figure 1



Figure 2

I was curious about the signers of the note. Most banknotes of the era were signed by ranking bank officials, usually the president and the cashier. In 19th century banking, the position of cashier was one of high rank, without the clerical connotation that the term now possesses.

I had recently read a 1927 history of South Bend, and one of the prominent citizens in business and church matters was Horatio Chapin. His adult life was contemporaneous with the note's date, 1857. The signature, shown in detail in **Figure 3**, could be that of H. Chapin, even though it looks more like A. Chupin. But was he ever a banker?

Wolka's book didn't mention him. I did a little research in the University of North Carolina at Chapel Hill library, and found two different journal articles that say that he did become a prominent banker in South Bend. That discovery was really exciting!

Wolka's book does state that Hugh McCulloch was the bank president, and it pictures genuine notes from other branches with McCulloch's signature, clearly the same signature as on my note. McCulloch later became the United States' first Comptroller of the Currency and also Secretary of the Treasury under several presidents.

Figure 3



Another note in my collection, one from the State Bank of Indiana, branch at South Bend, provides an interesting comparison (see **Figure 4**). This bank preceded the Bank of the State of Indiana, and my note is dated 1848. Unlike the 1857 note with its distinguishing back, the 1848 note has a blank back, the norm for obsolete currency.

The note design is common for all branches, with the branch name filled in on issue. I had not earlier paid attention to the signers, but was thrilled to see that this note, too, was signed by Chapin as cashier. The president was James Morrison, not that this is at all obvious from the note's signature, but Wolka provides this information, and illustrates notes from other branches with the same signature as my note. He lists any note from this bank from the South Bend branch as rarity R-7, 1-5 known.



Figure 4

I happened to show the 1848 note to Wolka, who was at the convention where I found it. He indicated that they were not as rare as once thought, and that all examples he had seen were contemporary counterfeits, including mine. He is the Indiana expert, and I shouldn't doubt him, but I do.

Figure 5 shows the Chapin signature from 1848 blown up. It looks a lot like the other signature, but not close enough that I am sure. When I can locate a handwriting expert, I hope to learn more! There is another step I will take, and that is to write the Northern Indiana Historical Society, located in South Bend, and ask if they have Chapin's signature in their archives.



Figure 5

One of the joys of collecting obsolete paper money is that the notes are usually also historical documents with autographs from local people, many who remain obscure, but a few who became famous. I treasure my two South Bend notes not only as money collectables, but even more as personal artifacts entwined with the place of my origin. ❖



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Society of Paper Money Collectors

Paper Money

EDITED BY FRED L. REED III

SECOND PLACE

2009

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Numismatic Publication


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A Suggested Classification of Bank Notes (From Conception to Resurrection)

By Nelson Page Aspen

I WOULD LIKE TO PRESENT A "SUGGESTED CLASSIFICATION" OF bank notes from the artist's essay to the final note for circulation, or in some cases cancelled.

The original classification was apparently done by the philatelists, especially former Paper Money Editor Barbara Mueller who also served in that position for the Essay-Proof Journal. Also our own Wendell Wolka has written on the subject as it applied to obsolete notes, and Bob Cochran too has written on this subject in Paper Money. John Humphris did a magnificent article back in 1981 on the subject, and I tried my hand at it too in 1991, also in the Essay-Proof Journal.

So think about this subject and look over my suggested listing. You might consider collecting the classification or improving on my listing. Perhaps this topic deserves more publicity.

A Suggested Classification of Bank Notes (From Conception to Resurrection)

I. Essays

- A. Artist's Essay: hand drawn with or without vignettes or frames.
- B. Printer's Essay: a printed plate of the above; may be single color, black & white or multicolored.
May be accepted or rejected.

II. Proof Notes: are accepted essays

- A. Artist's Proof Notes
- B. Printer's Proof Notes:
 - Paper: security paper
thin card paper (India)
thick paper
 - Printing: varied color sages and terminology and special serial notations.
uniface, although exceptions occur.
special features unique to company, such as Bradbury's alpha-omega
 - This stage shows the printer the progress of the note, to production stage.

Die Essays	Color Proofs
Plate Essays	Late Proofs
Hybrid Proofs	Final Proofs
Trial Proofs	Posthumous Proofs
- C. Preparation of plates, both face and back for mass production of note to be circulated. (May also be used for bonds and stamps.)

III. Sample Notes: carry company name & logo.

- A. Salesman's Samples.
- B. Promotional Prints: may include vignettes or portions of notes from working dies.
- C. Souvenir Cards

IV. Specimen Notes

- A. True Specimen Notes



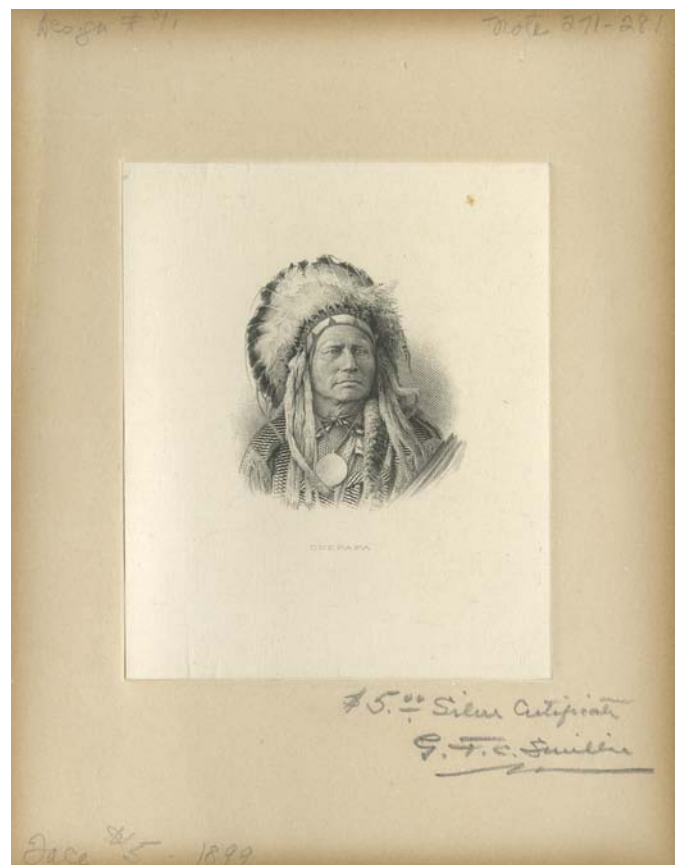
American Bank Note Co. Mexico Pick-41 proof note signed in ink "From 'Old Portrait' and "J. Hay" by engraver John Hay.



Above: Incomplete Fractional Currency progress proof, stamped SPECIMEN.
Below: Title Block for National Bank Note.



"ONEPAPA" (sic) signed die proof by BEP Chief Engraver G.F.C. Smillie. Portrait of the Unepapa chief Ta-to-ka-in-yan-ka was used on Series 1899 \$5 Silver Certificates.
(All illustrations courtesy Heritage Auctions.)





Canada Bank Note Co. Salesman's Sample sheet.

Below: Artist's paste up proof.

Below right: Die proof on india paper mounted on card for "Surrender of Burgoyne" employed on Original/Series 1875 \$500 National Bank Note backs.



- B. In-House Specimen Notes (alpha & omega)
- C. Commercial Specimen Notes: used for introduction of a new note or issue.
- D. Intentional Specimen Notes: conversion of notes meant for circulation special issue for collectors

- V. **Circulating Notes:** Those that are legal tender; contain serial numbers, signatures & dates.
Some countries do not use all three components.
Life of the note varies with usage, denomination and country.

VI. Cancelled Notes

- A. Normal legal tender made valueless by government.
- B. Unissued, remainders or "left overs."
- C. Unfinished notes: withdrawn before completion, or issue.



An Invitation from

The NEW HAMPSHIRE CURRENCY STUDY Project

Q. DAVID BOWERS and
DAVID M. SWIDMAN

are involved in a long-term project to describe the history of all currency issued in the State of New Hampshire, as well as to compile a detailed registry of all known notes (whether for sale or not). Our area of interest ranges from issues of The Province of New Hampshire, The Colony of New Hampshire, the State of New Hampshire (1709-1780), issues of the New Hampshire state-chartered banks (1792-1866), and National Bank Notes issued by New Hampshire banks (1863-1935). This will result in a book under the imprimatur of the Society of Paper Money Collectors, with help from the New Hampshire Historical Society, the Smithsonian Institution, and others.

Apart from the above, David M. Swidman is President of Littleton Coin Company, and Q. David Bowers is Co-Chairman of Stack's Rare Coins. For other commercial transactions and business, contact them at their firms directly.



The authors of the present book, holding a rare Series of 1908 \$10 National Bank Note from West Derry, New Hampshire.



Seeking currency,
images, and
collateral

New Hampshire
Colonial Note,
Thirty Shillings,
November 3, 1775

\$1 Ashuelot Bank
of Derry, NH, 1862



Series of 1908 \$5
Paper Bank from the
Indian Head National
Bank of Nashua

If you have New Hampshire currency, old records, photographic images or correspondence relating to the same, or other items of historical interest, please contact us at the address below, or send us an e-mail at info@nhcurrency.com. Both of us are avid collectors and welcome offers of items for sale. We will pay strong prices for items we need.

Visit the NH Currency Study Project website:
www.nhcurrency.com. Find a listing of New Hampshire banks that issued currency, read sample chapters, and more.

We look forward to hearing from you!



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The NEW HAMPSHIRE CURRENCY STUDY Project

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E-mail: info@nhcurrency.com (your e-mail will be forwarded to both authors)



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Cancelled Bank of the City of Petersburg \$5 proof note.

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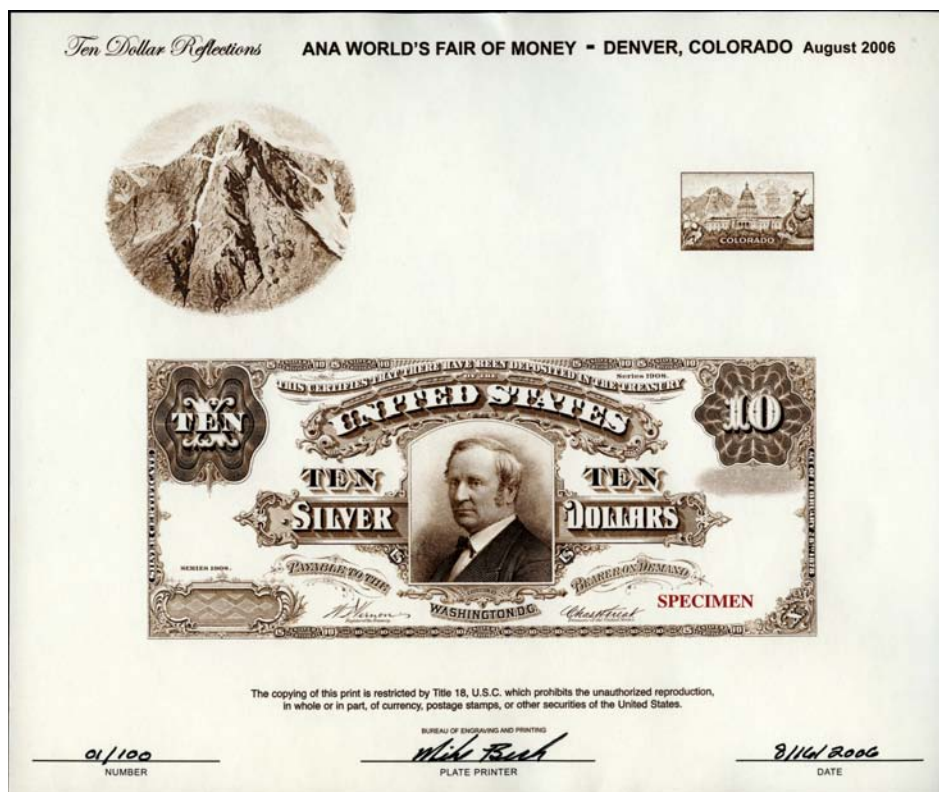
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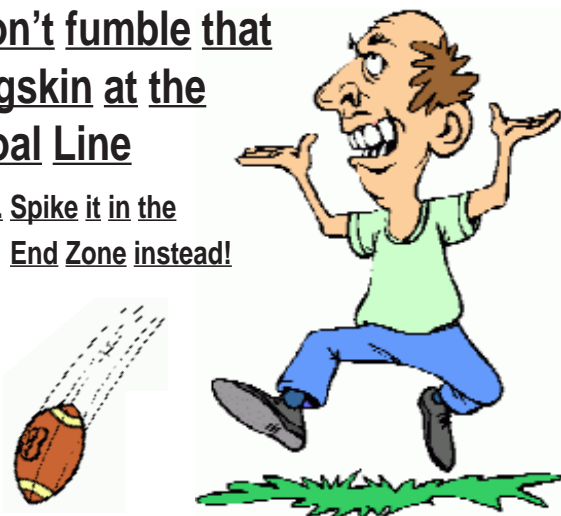
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Rare \$5 Silver Certificate Series of 1934B M-A Block Notes

by Jamie Yakes

WHEN THE SCARCITY OF EARLY SMALL-SIZE \$5 BLOCKS is considered, the Silver Certificate Series of 1934B M-A block stands among the top due to its overall appeal and lack of availability. Collectors have discovered that this note is the key to completing a block set of \$5 Silver Certificates.

Whereas Series of 1934B notes are readily available from the K-A and L-A blocks, the M-A block is the opposite: It is rare with about a dozen or so recorded. The cause for the scarcity of this block was a single four-day press run in which 1934B faces were used during 1947.

This press run occurred after the L-A to M-A serial number block rollover and produced the only sheets with 1934B faces that were available for overprinting with M-A serials. By then, Series of 1934C faces had been placed in production, and the 1934B face plates were supposed to have been retired!

Series of 1934B Plate Use in 1947

Series of 1934B faces were numbered 1766-1872 and were used from January 23, 1946, until May 29, 1947. A few 1934Bs wore out and were canceled periodically during 1946; however, all the remaining, still serviceable plates were canceled on December 31, 1947.

The last regular use of 1934B faces occurred on March 4, 1947, when plates 1769, 1771, 1772, and 1773 were dropped from the press. This was the culmination of a concerted effort to remove all the then obsolete, but still serviceable, 1934B plates from the presses that began in late February, when masses of 1934B plates were dropped on February 21, 25, and 26. All were either replaced with 1934C plates, or the presses that held them were reassigned to other uses. It was not possible for any 1934B sheets printed prior to March 4 inclusive to be overprinted with M-A serials because L-A serials were still in use.

Curiously, three months later on May 26, 1947, three 1934B plates were again checked out to the press room; specifically, plates 1769, 1771 and 1772. They were being cycled back into service to replace worn 1934C plates using the normal procedure for swapping out worn plates.

However, the three 1934B plates were abruptly dropped from the presses

on May 29. The fact that the use of all three was abruptly terminated so soon, and on the same day, reveals that their removal from the press room was a coordinated action unrelated to serviceability. It appears that someone had noticed that they had obsolete Julian-Vinson signatures instead of the current Julian-Snyder, and took action to recall them. By this time, the M-A block was current, and the 1934B sheets from this May press run received M-A serials during overprinting.

Reported M-A Notes

To date, Series of 1934B M-A notes have been reported from these late printings from plates 1769 and 1772, but not from 1771. It is possible that 1771 never was mounted on a press during the May 26-29 period when it was checked out from the plate vault, but this is speculation, so an M-A note from face 1771 still could be a significant potential find.

James Hodgson (2006) estimates that 4,000-8,000 1934B sheets were printed during this press run, which equates to approximately 50,000-100,000 notes. This small total accurately explains the rarity of this note in the marketplace today.

All of the reported 1934B M-A notes are within the small serial number range of M28xxxxxA to M33xxxxxA—a span of about 5 million serials. Serial number data for daily print runs from 1938-39 (for Series of 1934 and 1934A \$5 Silver Certificates) indicate the median daily print run size was about one half million notes. It is reasonable to expect that similar print run sizes were employed during 1947, so considering the narrow serial range for the observed M-A notes, it is estimated that they were serial numbered over a period of about two weeks.

Contemporary Use of Series of 1934C Faces

Series of 1934C face production also started in late 1946. These were used as soon as they were available, and quickly began supplanting 1934B faces.

A review of the BEP plate ledger indicates that over 80 1934C faces had an initial press run between October 1946 and March 1947. Over half of these had additional press runs that overlapped the May 26-29 period. As for the other half, with the exception of three plates canceled prior to May 26, they were available if needed.

Changeover pairs were printed owing to the concurrent use of 1934B and 1934C faces. A single pair is known: 1934C, M30229668A, pp L/1934B, M30229669A, pp G (Fig. 1).

Is It Possible that Back Plate 637 Mules Were Printed?

Micro back 637 was in use during 1947, so it is very possible that these were mated with 1934B faces and overprinted with M-A serials. This back was in use continuously between January 31 and July 17, 1947, except for a two-week period in February when the plate was removed for re-entry.

A few 1934B L-A mules and several 1934C L-A and M-A mules that were printed during the first six months of 1947 are reported. These notes, based on their serial numbers, were printed before and after the May 1947 press run, so they demonstrate that some 1934B faces from this run could have been mated with 637 backs.

Consequently, a \$5 SC 1934B M-A 637 mule is one of the great \$5 rarities still waiting to be discovered.



This highly significant signature changeover pair contains one of the few reported Series of 1934B M-A block Silver Certificates. This pair was printed during the 4-day period inclusive of May 26 and May 29, 1947, when 1934B face 1772 and 1934C face 1905 were serving together on the same press. The obsolete 1934B plate was accidentally rotated onto the press three months after it was supposed to be retired in order to replace a worn 1934C plate that was being rotated off. The presses held four plates—undoubtedly the other two were other 1934C plates. (Photo courtesy of Heritage Auction Archives.)

Recent Market Appearances

The chance to purchase a Silver Certificate Series of 1934B M-A block comes around once every few years. Here are some recent appearances:

- 2009: I noticed a Fine example in a dealer's case at the June Baltimore show.
- 2007: A Gem CU example was purchased on the floor at the November PCDA show.
- 2006: I purchased an EF note from a dealer on eBay in September.
- 2005: A Gem CU note was one half of a 1934B/1934C changeover pair sold as lot 17936 of the Heritage/CAA Sale 386 at the September Long Beach show. (see illustration above)
- 2002: A VF example was offered as lot 22270 of the Heritage/CAA Auction 32112 in November.

Acknowledgment

I have always had an interest about why this note was so rare, and started asking other small-size specialists for some information. Peter Huntoon and Jim Hodgson provided useful data.

Inquiries, reports or questions about small-size \$5 notes are always welcomed: Send to Jamie Yakes, P.O. Box 1203, Jackson, NJ or fivedollarguy@optonline.net.

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Bureau of Engraving and Printing, Treasury Department, Plate History Ledgers for United States Currency Plates: U. S. National Archives, College Park, MD, 318/450/79/17/3.

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Two former SPMC Presidents help Blue Ridge Numismatic Association celebrate its 50th annual convention: Austin Sheheen (SPMC President 1991-1993) and Judith Murphy (1993-1995) were invited to attend the ribbon cutting ceremony for the historic show August 21-23 in Dalton, GA. Murphy, SPMC's regional meeting coordinator, represented the Society at the show. SPMC had a very successful meeting at the Blue Ridge convention hosted by Pierre Fricke, with 11 participants as audience: 8 members, 2 prospective members, and one ANA governor who is interested in education (Ostromecki). Our twelfth participant was Bob Schreiner, who presented a program on NC Colonial currency, from his home in the Raleigh area. My thanks to Dennis Schafluetzel and Tom Carson who were the facilitators for this meeting. Sheheen was instrumental in opening the Blue Ridge Numismatic Association's museum in South Carolina; the curator was Paul Garland. It closed in the 1980s. Judith is also a past president of BRNA, and Austin is ANA Treasurer. (Photo by Helen Baker)

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PS Form 3526, September 2007 (Page 2 of 3)

11th Annual George W. Wait Memorial Prize

Society of Paper Money Collectors Official Announcement

Purpose: The Society of Paper Money Collectors is chartered “to promote, stimulate, and advance the study of paper money and other financial documents in all their branches, along educational, historical and scientific lines.”

The George W. Wait Memorial Prize is available annually to assist researchers engaged in important research leading to publication of book length works in the paper money field.

George W. Wait, a founder and former SPMC President, was instrumental in launching the Society’s successful publishing program. The George W. Wait Memorial Prize is established to memorialize his achievements/contributions to this field in perpetuity.

Award: \$500 will be awarded in unrestricted research grant(s). Note: the Awards Committee may decide to award this amount to a single applicant, or lesser amounts totaling \$500 to more than one applicant. If, in the opinion of the Awards Committee, no qualifying applicant is found, funds will be held over.

Prior Award Winners: five individuals and two groups have thus far been awarded the Wait Memorial Prize. Each received the maximum award. 1st annual Wait winner was Robert S. Neale for a book on antebellum Bank of Cape Fear, NC. The 2nd went to Forrest Daniel for a manuscript on small size War of 1812 Treasury Notes, published in our S/O 2008 issue. Gene Hessler was honored for a book on international bank note engravers that has recently been published. Honorees also included R. Shawn Hewitt and Charles Parrish for a book on Minnesota obsolete notes, Michael Reynard for a book on check collecting, Matt Janzen for a work on Wisconsin nationals, Tom Carson and Dennis Schafluetzel for Tennessee scrip and Fred Maples on Maryland banknotes. Twice, no awards were made.

Eligibility: *Anyone engaged in important research on paper money subjects is eligible to apply for the prize.* Paper Money for the purposes of this award is to be defined broadly. In this context paper money is construed to mean U.S. federal currency, bonds, checks and other obligations; National Currency and National Banks; state-chartered banks of issue, obsolete notes, bonds, checks and other scrip of such banks; or railroads, municipalities, states, or other chartered corporations; private scrip; currency substitutes; essays, proofs or specimens; or similar items from abroad; or the engraving, production or counterfeiting of paper money and related items; or financial history in which the study of financial obligations such as paper money is integral.

Deadline for entries: March 15, 2011

A successful applicant must furnish sufficient information to demonstrate to the Society of Paper Money Collectors Awards Committee the importance of the research, the seriousness of

the applicant, and the likelihood that such will be published for the consumption of the membership of SPMC and the public generally.

The applicant’s track record of research and publication will be taken into account in making the award.

A single applicant may submit up to two entries in a single year. Each entry must be full and complete in itself. It must be packaged separately and submitted separately. All rules must be followed with respect to each entry, or disqualification of the non-conforming entry will result.

Additional rules: The Wait Memorial Prize may be awarded to a single applicant for the same project more than once; however awards for a single project will not be given to a single applicant more than once in five years, and no applicant may win the Wait Memorial Prize in consecutive years.

An applicant who does not win an annual prize may submit an updated entry of the non-winning project in a subsequent year. Two or more applicants may submit a single entry for the Wait Prize. No members of the SPMC Awards Committee may apply for the Wait Memorial Prize in a year he/she is a member of the awarding committee.

Winner agrees to acknowledge the assistance of the Society of Paper Money Collectors and the receipt of its George W. Wait Memorial Prize in any publication of research assisted by receipt of this award and to furnish a copy of any such publication to the SPMC library.

Entries must include:

- the full name of the applicant(s)
- a permanent address for each applicant
- a telephone number for each applicant
- the title of the research project/book
- sufficient written material of the scope and progress of the project thus far, including published samples of portions of the research project, if appropriate

Entries may also include:

- the applicant’s SPMC membership number(s)
- the applicant’s e-mail address (if available)
- a bibliography and/or samples of the applicant’s past published paper money research
- a photograph of each applicant suitable for publicity
- a publishable photograph(s) of paper money integral to the applicant’s research
- a statement of publishability for the project under consideration from a recognized publisher

Judging: All entries must be received by March 15, 2011. All entries must be complete when submitted, and sufficient return postage should be included if return is desired. Address entries to SPMC, attn. Fred Reed, George W. Wait Memorial Prize, P.O. Box 118162, Carrollton, TX 75011.

The single, over-riding criterion for the awarding of the Wait Memorial Prize will be the importance of publication of the applicant’s research to SPMC members and general public. All decisions of the Awards Committee will be final.

Announcement of the awarding of the Wait Memorial Prize will be in the May/June 2011 issue of *Paper Money*, with subsequent news release to additional media. ♦

“Integrity”

IFINALLY DID A CRUISE TO VANCOUVER, BC; Alaska and Glacier National Park. Absolutely awesome! Ketchikan and Skagway are living monuments to the wilderness heritage of America. I felt like a gold seeker, with 100 pounds on my back; making my way up the Chilcoot Pass on the Klondike Trail.

Kept checking my change in Ketchikan, looking for a national bank note, but it appears they have all been withdrawn from circulation. Although it is possible that one or two could be stashed away in a book or drawer, waiting to be discovered.

I recall that some years back, a woman walked into a coin shop with a 1929 Alaska \$20 bill and asked if it was worth anything. She walked out with \$40 or \$50 from the shop owner who knew its true worth was twenty times that. Which brings up the subject of integrity in buying and selling notes.

Should a knowledgeable buyer always offer a fair price when a seller has a note obviously seriously underpriced? Or, is it OK for the buyer to pay the asking price and get an incredible bargain? And what about the seller? Is he obligated to price the note at its true value, or



It occurs to me...

Steve Whitfield

can he overprice it, knowing it has unseen flaws, in hopes of getting more than the note is really worth?

It boils down to knowledge on both sides of a transaction. A seller should be obligated to make the buyer aware of any unseen flaws that will affect the note's true value. For example; such condition flaws as edge trimming, filled in pin holes, pressed out folds and removed soiling may be difficult for a buyer to detect unless the seller points them out. The buyer is obligated to examine the note carefully taking care not to mishandle the note. If the note is in a holder and the buyer wishes to examine it outside the holder, he should ask permission from the seller. If the buyer spots flaws that were only revealed from his inspection he should describe them to the seller.

If the buyer discovers a printing error that has not been noted by the seller, such as a missing plate number or mismatched serial number, he can assume that a knowledgeable seller/dealer is aware of it and need not point it out. If he's a nice guy or friend of the seller he will probably discuss it anyway. If the buyer discovers later that he has acquired a rarity at an incredibly cheap price, the gentlemanly thing to do would be to share the bonus with the seller. And likewise, if the seller discovers, by any means what so ever, that the note he sold is really worth much less than he received; for example, perhaps the note is counterfeit or over-graded, he should make restitution to the buyer.

In a note transaction, neither side should make an unfair bargain. Suppose someone offered you an Alaska national bank note and said they would accept \$100 for it? What would you do? ♦

The Editor's Notebook

Fred L. Reed III



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THIS PUBLICATION IS A JOINT PRODUCT OF OUR authors and our advertisers, with the help of our printer, the U.S. Postal Service, our ad manager, ye old Editor, and assorted venders. If we didn't have a cadre of great authors offering up their blood, sweat and tears in these pages we'd have a lot of blank space or simple "filler" material. Without our advertisers, we'd have many fewer pages to publish those fine articles, and no color, because simply put dues do not cover the cost of the benefit that this magazine represents.

It's been some years since we've raised dues, and membership "growth" has been flat for years, yet expenses have risen as I'm sure we all understand. So while I'm not suggesting that the time is due for a dues hike, it is simply a fact that the growth of this publication over my tenure as its Editor/Publisher and *de facto* business manager has been entirely due to the participation of our faithful advertisers. We've added many, many pages; we've added color too. For whatever "extra" benefit this might represent to a member/reader, he or she should thank those who pay a good deal of the freight, faithful advertisers. May their numbers increase!

From a business standpoint -- and all our member dealers are businessmen we must remember -- the time to advertise is when people are NOT beating down your door. If you've got the better mouse trap and the streets are run amuk with rodents, you don't have to advertise -- just ringing your cash register will keep you busy. But when the "mice be scarce," as they say, banging your drum may be the only way to chase the hungry masses to your shelves.

We all understand that despite the rosy hype, our hobby is not sacrosanct. We live in the world at large. The malaise in the general economy cannot help but affect the purchase of elective luxury items like antique bank notes, stocks and checks. The goods we traffic in and enjoy immensely are hardly the necessities of life, after all. These are discretionary. We have the proof right here before our eyes. *Paper Money* ad revenues have shrunk over the past two years, as businesses have merged, cut back, or faded from the scene all together.

Advertising is NOT the place to cut back. Advertising is the mooring that connects the seller with his potential buyers. When he cuts the tether of his advertising, he drifts off at the mercy of ill winds, like a kite whose string has been severed.

I'm continually amazed that we don't see items FOR SALE in this publication. Our member/readers ARE the marketplace. With show attendance down, eBay sales way off, how is the seller going to move his stock if he doesn't offer it to the willing buyers that the SPMC membership represents? Indeed, he who will advertise is he who wants to survive! ♦

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